A Guide to the
DIGITAL MARKETING
BODY OF KNOWLEDGE
(DMBOK® GUIDE)
2017 Edition
PREFACE

The SMstudy® Guide (also referred to as a Guide to the Sales and Marketing Body of Knowledge, or SMBOK® Guide) is a comprehensive process-oriented framework for the planning and execution of activities associated with all facets of Sales and Marketing. It can be used as a reference source for experienced Sales and Marketing professionals or as a detailed guide for individuals or students with little prior Sales and Marketing knowledge or experience. The SMstudy® Guide can be applied in any organization or industry—from small companies with only a few employees to large, complex organizations with numerous business units, multiple product lines, and thousands of employees across many countries.

The SMstudy® Guide series consists of six books that elaborate on each of the Aspects of Sales and Marketing: Marketing Strategy, Marketing Research, Digital Marketing, Corporate Sales, Branding and Advertising, and Retail Marketing. Each book addresses a key component of Marketing and can be used as a standalone resource or as part of a more comprehensive program that utilizes any number of the six books as required by a business. In this way the SMstudy® Guide series offers a flexible framework that can be tailored to address the specific needs of each organization.

This third book, Digital Marketing, provides a framework for use in the planning and execution of the Digital Marketing Strategy for a company’s products, services, and brands. Digital Marketing includes all marketing activities that use electronic devices connected to the Internet to engage with customers (e.g., computers, tablets, smartphones). These include activities related to creating and managing effective websites and mobile apps, as well as promoting a company’s products and brands through various online channels that help meet marketing objectives. The processes associated with Digital Marketing include gaining an understanding of the specific targets that this Aspect of Marketing must achieve in order to contribute to the successful attainment of overall marketing objectives; recognizing and evaluating the various digital marketing channels and options that digital media offers; building or acquiring the needed expertise and establishing a strong digital presence; optimizing each of these digital marketing channels to ensure maximum reach; building good customer relationships; and establishing and protecting a strong reputation in the chosen markets.

I would like to thank the forty-two co-authors, subject matter experts, and reviewers who greatly contributed to the creation of this body of knowledge. Their combined efforts and collaborations have resulted in a comprehensive, highly effective, and unique approach to understanding, planning, and implementing Sales and Marketing initiatives.

Tridibesh Satpathy
Lead Author, SMstudy® Guide Book Three (Digital Marketing)
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1. INTRODUCTION

A Guide to the SMstudy® Sales and Marketing Body of Knowledge (SMBOK® Guide), also referred to as the “SMstudy® Guide,” is a series of books that provide guidelines for the Sales and Marketing of products and services. It offers a comprehensive framework that can be used to effectively manage Sales and Marketing efforts in any organization. The objective of the SMstudy® Guide is to provide a practical and process-oriented approach to Sales and Marketing that emphasizes how various elements of Sales and Marketing can be integrated to develop a comprehensive and effective organizational Sales and Marketing Plan.

The concepts in the SMstudy® Guide can be applied effectively to any company in any industry—from small companies with only a few employees to large, complex organizations with numerous business units, multiple product lines, and thousands of employees across many countries. The term “product” in the SMstudy® Guide may refer to either a product or a service of a company.

This introductory chapter includes definitions of key terms, the purpose and framework of the SMstudy® Guide, an overview of the Aspects of Sales and Marketing discussed throughout the SMstudy® Guide, the SMstudy® certification schema, a brief history of Digital Marketing, and a general overview of the contents of this book on Digital Marketing. This chapter also briefly discusses Corporate Strategy and its relationship to Sales and Marketing and to Digital Marketing. In depth discussions of the history of Sales and Marketing, and an overview of Marketing Strategy are provided in the appendices.

This chapter is divided into the following sections:

1.1 How to Use the SMstudy® Guide?
1.2 Why Use the SMstudy® Guide?
1.3 A Brief History of Digital Marketing
1.4 Corporate Strategy Overview
1.5 Aspects of Sales and Marketing
1.6 Levels of Sales and Marketing Strategy
1.7 Marketing Strategy Overview
1.8 Digital Marketing Overview
1.1 How to Use the SMstudy® Guide?

The SMstudy® Guide can be used as a reference and knowledge guide by experienced Sales and Marketing practitioners, as well as by persons with little prior knowledge or experience in Sales or Marketing roles. Because the SMstudy® Guide offers a comprehensive Sales and Marketing framework, many will find value in using this resource to guide decision making and planning across all facets of Sales and Marketing; however, the contents of the Guide are organized to enable quick and easy reference for individuals who may be interested in, or studying, only one or two specific facets of Sales or Marketing. Similarly, the SMstudy® Guide provides a valuable tool for individuals already in distinct Sales or Marketing roles (e.g., Digital Marketing Manager), as its design enables such individuals to focus on the specific Aspects that are most relevant to such roles.

1.1.1 Process-Oriented Approach with Defined Inputs, Tools, and Outputs

In order to facilitate the best application of the SMstudy® Guide framework, the SMstudy® Guide defines a process-oriented approach to Sales and Marketing, which provides specific guidance to Sales and Marketing professionals about how to most effectively and efficiently manage their sales and marketing activities. The SMstudy® Guide defines Sales and Marketing in terms of processes that comprise a series of actions that lead to a particular result. Each process requires specific inputs and then uses various tools to create specific outputs. To cater to the needs of a diverse audience with varying levels of expertise in Sales and Marketing, the SMstudy® Guide has differentiated highly recommended inputs, tools, and outputs from recommended, but optional ones. Inputs, tools, and outputs denoted by asterisks (*) are highly recommended, while others with no asterisks are recommended, but optional. It is suggested that those individuals being introduced to Sales and Marketing focus primarily on the highly recommended inputs, tools, and outputs for each process, while more experienced practitioners should thoroughly understand all of the relevant inputs, tools, and outputs for each process.

1.1.2 Using SMstudy® Guide with SMstudy.com Website and VMEdu® Mobile App

The SMstudy.com website and the VMEdu® mobile app provide additional resources to help individuals better understand and apply the Sales and Marketing framework defined in the SMstudy® Guide. The website and app include the following:

- A certification schema, which helps students study marketing subjects in a structured manner, get tested on relevant concepts through proctored certification exams, and gain relevant certifications which demonstrate their knowledge and experience in different areas of Sales and Marketing (see section 1.1.3 for a description of the certification schema)
- High-quality videos with relevant and interesting examples that help individuals gain a thorough understanding of specific concepts
• Case studies that illustrate how the SMstudy® Guide framework can be used in real-life scenarios
• Additional resources for students to obtain expert training through physical classrooms, virtual instructor-led sessions, and high-quality online courses
• A glossary of terms, flashcards, study guides, and more

1.1.3 Certification Schema for SMstudy® Certifications

The certifications related to the SMstudy® Guide are managed by SMstudy.com. The certification schema is outlined in Figure 1-1.

![Figure 1-1: SMstudy® Certification Schema](image)

The following is a brief description of each level of certification:

• **Associate Level Certifications**—The introduction modules are available at no charge to interested individuals. All Aspects of Sales and Marketing have an applicable Associate-level certification (e.g., “SMstudy® Certified Marketing Strategy Associate”). The certification exams are free and not proctored; and candidates have one hour to complete each exam. The prerequisite is an understanding of the highly recommended inputs, tools, and outputs for each process relevant to the particular Aspect of Sales and Marketing. There is no work experience requirement and no mandatory educational hours in addition to the recommended study.
• **Professional Level Certifications**—All Aspects of Sales and Marketing have an applicable Professional-level certification (e.g., “SMstudy® Certified Marketing Strategy Professional”). The certification exams are proctored and candidates have two hours to complete each exam. The prerequisite is a study of the relevant SMstudy® Guide book with more emphasis on the highly recommended inputs, tools, and outputs for each process relevant to the particular Marketing Aspect. There is no work experience requirement and no mandatory educational hours in addition to the recommended study. Individuals who pass the certification exams for three or more Professional modules are awarded an additional certification called “SMstudy® Certified Sales and Marketing Professional.”

• **Specialist Level Certifications**—All Aspects of Sales and Marketing have an associated Specialist-level certification (e.g., “SMstudy® Certified Marketing Strategy Specialist”). The certification exams are proctored and candidates have three hours to complete each exam. The prerequisites are a study of all of the relevant inputs, tools, and outputs for each process, three years of related work experience, and twenty mandatory educational hours. Individuals who pass the certification exams for three or more Specialist modules are awarded an additional certification called “SMstudy® Certified Sales and Marketing Specialist.”

• **Expert Level Certifications**—All Aspects of Sales and Marketing have an associated Expert-level certification (e.g., “SMstudy® Certified Marketing Strategy Expert”). The certification exams are proctored and candidates have four hours to complete each exam. The prerequisites are attaining the Specialist level certification for that specific Aspect, a study of all of the relevant inputs, tools, and outputs for each process, five years of related work experience, forty mandatory educational hours, and recommendations from two peers and a manager. Individuals who pass the certification exams for three or more Expert modules are awarded an additional certification called “SMstudy® Certified Sales and Marketing Expert.”

Other than the certifications mentioned above, SMstudy® offers additional certifications in fields related to Sales and Marketing such as Affiliate Marketing, E-mail Marketing, Search Engine Optimization, Search Marketing, Social Media, and Web Analytics. Information about these certifications is available in the SMstudy.com website.
1.2 Why Use the SMstudy® Guide?

Some of the key benefits of using the SMstudy® Guide are as follows:

1. **Consolidated Expertise**—The SMstudy® Guide was developed by VMEdu, Inc., a global certification course provider that has educated over 400,000 students world-wide in more than 3,500 companies. It provides practical, industry-proven best practices, rather than purely theoretical advice.

2. **Process-Oriented Approach**—The SMstudy® Guide explains Sales and Marketing concepts through a practical, process-oriented approach. This helps Sales and Marketing professionals understand the specific processes they should follow to be effective in their Sales and Marketing roles. Each process has associated inputs, tools, and outputs that are recommended for use. Highly recommended inputs, tools, and outputs are noted with an asterisk (*) beside the concept in each process box and then again when each process is discussed throughout that section.

3. **Applicable to All Industries**—The many authors, advisers, and reviewers of the SMstudy® Guide have worked in numerous Sales and Marketing areas and geographic regions across a variety of industries. Thus, insights provided by them make this body of knowledge industry independent.

4. **Applicable to Companies of All Sizes**—The SMstudy® Guide has been written to meet the needs of all companies regardless of size. Small start-up companies with fewer than ten employees, or large organizations with several thousand employees and multiple product lines and business units, can equally benefit from the information in this guide. Additionally, the content provided in the SMstudy® Guide is highly relevant to for-profit and non-profit organizations alike.

5. **Comprehensiveness**—The SMstudy® Guide is organized into six Sales and Marketing Aspects: Marketing Strategy (MS), Marketing Research (MR), Digital Marketing (DM), Corporate Sales (CS), Branding and Advertising (BA), and Retail Marketing (RM). Each Aspect is detailed in a separate book. Taken together, the series provides a comprehensive and complete understanding of Sales and Marketing. The concepts covered in the SMstudy® Guide are further reinforced through videos and case studies available at SMstudy.com.

6. **Applicable to Beginners and Experts**—The SMstudy® Guide presents recommended concepts that beginners should know and also highlights advanced concepts for individuals who have more experience and who are on their way to becoming experts in the field. Readers can decide which of the six Sales and Marketing Aspects are most relevant to them and select from the available books accordingly.
7. **Alignment with Job Roles**—The Aspects included in the *SMstudy*® *Guide* are organized to align with the most common or typical job roles or career fields of Sales and Marketing.

8. **Continuous Improvement**—Concepts related to Sales and Marketing continue to evolve; therefore, the *SMstudy*® *Guide* will be continuously reviewed and updated to ensure that it remains relevant.
1.3 A Brief History of Digital Marketing

1.3.1 Early Models of Sales and Marketing

Sales and Marketing has evolved significantly over time, starting over 1000 years ago with the simple barter system and spanning several centuries, adapting to changes in consumer behavior, modes of communication, and advancements in technology, in order to become the multifaceted, multimedia discipline that it is today. It is important to take a look at the interesting history of sales and marketing in order to gain an understanding and appreciation for the systems and concepts that are used today to promote goods and services to consumers.

This section focuses on those Sales and Marketing concepts that have played a significant role in the birth of Digital Marketing. Figure 1-2 depicts the timeline for the evolution of Sales and Marketing. A history of Sales and Marketing is provided in Appendix A.1.

Marketing began many centuries ago with the barter system whereby various goods and services were exchanged for other goods and services. This concept of exchange is the foundation of sales and marketing. While the barter system is less common today, the dawn of the Internet in the 1990s made this simple form of transaction even more convenient by offering a means for non-local individuals to match their needs with the offerings of others, both locally and across the globe. Several websites in fact enable consumers to take advantage of the reach of the Internet in order to facilitate such an exchange, enabling the continued use of this simple means of Sales and Marketing.

While the barter system introduced consumers to the concept of exchange, the introduction of various forms of currency several centuries later, made the concept of exchange a simpler proposition. No longer was a match of ‘needs’ required—goods and services could be exchanged for money—and the “Traditional Marketplace” was born. Over the years, the concept of mass production as well as supply chain and distribution channels were introduced giving way to the “Seller’s Marketplace.” The twentieth century and the inception of mass media marketing brought consumers unprecedented choice and with that choice came the need for businesses to differentiate their goods and services and promote them to a much larger audience through various means, including radio, television, and print advertising. Conventional mass media
marketing gave consumers many options to learn about different products and services and provided businesses with multiple channels to get their messages out. Finally, the 1990s brought the launch of the Internet offering businesses yet another channel to market their goods and services and an opportunity to reach a global audience—Digital Marketing was born.

1.3.2 Fragmented New-Age Marketing

Today, consumers have multiple ways of searching, learning about, and purchasing various products and services, and e-commerce technology has offered the convenience of secure and instant transactions. At the same time, however, consumers are bombarded with messages from many sources, making it sometimes difficult to sift through the volume of marketing information. Consumers can receive messages from any of the several hundred television and radio channels, a variety of print media, including newspapers, magazines, and trade publications; and, online, it is difficult to check e-mail without various banner ads popping up. The messages are constant. For businesses, in this age where consumers are continuously provided with choice, the challenge is finding ways to stand out.

Technology, however, offers businesses many options to reach a global audience using digital marketing channels such as website, mobile, and social media. With all of these options, many marketers find it beneficial to use an integrated approach to marketing by leveraging the strengths of various types of media. Companies must evaluate all media in terms of who the target audience is and what media resonates with them best. In many cases, assumptions will need to be made and incorporated into the media-testing framework (e.g., for each planning period a company might allocate a certain amount of its marketing budget to test new methods).

Some characteristics of fragmented new-age marketing are as follows:

- It is a fact that people now spend more time on the Internet using smartphones, tablets, or computers than they spend through conventional mass media, such as television, radio, or newspapers. This is especially true for the thirty-year-old and younger market segment. Since Sales and Marketing is most successful when it meets the demands of consumers, this change in consumer preferences is significantly altering the Sales and Marketing landscape for established companies. Businesses are discovering that conventional mass media marketing has limited effectiveness and some customer segments are not even reachable using these traditional media forms.

- Fragmented new-age marketing generally supports new, small brands with much smaller budgets targeted directly to customers in a global marketplace. This represents a significant distinction from conventional mass media marketing, where achieving a global reach for a small company may have been prohibitively expensive.
• While mass media marketing is less targeted and primarily focused on affecting emotional attitudes about the brand, new-age marketing is data-driven and more focused on driving specific calls to action. Also, while mass media marketing typically involves interruption (e.g., people watching a television program which is “interrupted” by an advertisement), new-age marketing is about engagement (e.g., offering relevant content that is of value to people).

• Unlike older media options where Sales and Marketing communications were primarily uni-directional (i.e., from producers to end-consumers), communications have increasingly become multi-directional (i.e., from producers to consumers, consumers to producers, and consumers to consumers). For example, there are multiple rating websites available where customers can provide independent ratings of a company’s products or services, and others, including the company itself, can respond or elaborate on these ratings. Although generally a benefit to both producers and consumers, this trend can make brand management challenging for companies if actual or potential customers perceive that a product does not reflect the brand message intended by marketing efforts.

• Due to the nature of new-age marketing, consisting of multiple media forms and the ability to generate significant information, huge amounts of data (commonly referred to as “big data”) are now available to companies. The ability to process this data through proper marketing analytics, and assimilate such data to generate valuable insights, can become a significant differentiator for ensuring that companies engage in “smart marketing” (i.e., to generate greater revenues with relatively smaller marketing budgets).
1.3.3  Innovative Internet-Enabled Business Models

The growing popularity of the Internet, smartphones, and digital media provides opportunities for a company to not only use fragmented new-age marketing effectively to promote existing products, but also to come up with innovative business models where product demo, customer acquisition, and order fulfillment can also take place online.

Innovative business models may include the following:

- **Online Marketplaces**—Several e-commerce companies have created global online marketplaces for selling books, consumer goods, and other products. In such business models, customer acquisition is usually initiated through the company’s website. The company coordinates with its multiple suppliers to source products; samples, demos, and product reviews are provided on the website; customers make their purchases online; and items are shipped directly to customers.
INTRODUCTION

Examples of Online Marketplaces:
- Book publishing and retail businesses, which historically gained much success using traditional business models, have been significantly affected by the advent of online marketplaces such as Amazon, eBay, Alibaba, and Flipkart.
- Online payment processors such as PayPal, Stripe, Braintree, and Google Wallet have simplified the way in which payments can be processed by businesses, and have enabled even small start-up companies to sell their products globally through online marketplaces.

Examples of Online Services:
- Global Positioning Systems (GPS) and online maps have made physical maps redundant.
- Online learning tools have gained popularity and, at times, can complement or even replace physical classroom training.
- The gaming industry has transformed predominantly to the online community with options for participants to play against opponents from various locations.
- Many travel bookings are now made through online travel portals rather than through traditional travel agencies.

Examples of Online Networking:
- Social media channels such as LinkedIn, Twitter, WhatsApp, Facebook, and Google+, have significantly changed the way in which people communicate with each other.
- Online search engines such as Google, Yahoo, and Bing make it easy to find information and locate businesses globally.
- Internet calling, messaging, and conferencing applications such as Skype, WhatsApp, Viber, and WebEx have made communicating across almost any location much easier and more economical than before.
Business Models Using Smartphones—Smartphones are Internet-enabled mobile phones that also allow people to have an ongoing connection to the Internet. Since individuals usually carry their smartphones with them, mobile apps are becoming increasingly popular. Innovative business models based on the use of smartphones can disrupt several existing business models—more so in industries that rely on other forms of communications and networking.

Examples of Business Models Using Smartphones:

- Several airlines and travel portals have mobile apps to facilitate the ability to book flight tickets using smartphones.
- Social media channels such as Instagram, Twitter, Facebook, and LinkedIn provide mobile apps that enable users to easily share photos and updates, or chat with friends.
- Some mobile apps allow users to locate nearby restaurants, read reviews, and also post reviews based on their own experience.
- Banking mobile apps allow customers to view their bank account balances, transfer funds, pay bills, and complete other common banking activities.
- Smartphones can be used to scan QR codes used for various marketing purposes.

1.3.4 Sales and Marketing as a Continuum

It is important for us to note that the fact that we are in the twenty-first century does not make all the earlier avenues of Sales and Marketing obsolete. Some companies marketing consumer goods continue to spend a significant proportion of their marketing budget on conventional mass media marketing. In some cases a seller’s marketplace continues to be the reality for certain commodities that have a limited number of producers, or where the production is highly regulated by the government or controlled by monopolies or duopolies. Similarly, in some regions or countries, traditional marketplaces continue to flourish.

Rather than viewing the changes as completely replacing the earlier practices, Sales and Marketing approaches should be viewed as a continuum where recent innovations can co-exist with earlier practices. It is the responsibility of a company’s Sales and Marketing teams to make the strategic decisions that will work best to achieve the desired outcomes, given the reality of the markets and particular consumer preferences.

Sales and Marketing students, who read material on the subject, often find it confusing because authors offer varied perspectives that may be difficult to assimilate and comprehend in the present day. Each author’s perspective can also vary depending on when the material was written (i.e., where he or she was on the Sales and Marketing timeline), his or her individual or industry preferences and experiences, and other factors. Conversely, the concepts covered in the SMstudy® Guide series are not limited to the perspective of any particular author or industry. The SMstudy® Guide was developed by VM Edu, Inc., a professional education provider which has educated over 400,000 students world-wide in more than 3,500 companies.
The fifty plus authors, advisors, and reviewers of this book have worked in multiple marketing environments and geographic regions across an eclectic variety of industries. Thus, the insights provided in this book provide a comprehensive detail of the principles and concepts related to Sales and Marketing and specifically to Digital Marketing. It also articulates an action-oriented process approach that can be used by Sales and Marketing practitioners to gain a better understanding of the subject, and then construct a comprehensive and effective Digital Marketing Strategy that supports both the marketing objectives as set out in the Marketing Strategy and the business goals as established in the Corporate Strategy.
1.4 Corporate Strategy Overview

Corporate Strategy is the overall direction of the company (as defined by senior management) that takes into consideration an assessment of the existing capabilities of the company and external opportunities and threats. Corporate Strategy usually coincides with the immediate future fiscal period or it could be developed with a longer-term view (e.g., a three-year plan). It is important to understand the overall Corporate Strategy and its relationship to all areas of the business in order to ensure that activities at all levels are aligned and aimed at achieving overall corporate goals. Digital Marketing forms just one component of the overall Marketing Strategy, and the Marketing Strategy is established using direction provided by the overall Corporate Strategy of the company. Without a clear understanding of where the company plans to be in the near and far future, it is difficult for the Digital Marketing efforts to be crafted to contribute to the marketing objectives or the overall goals of the business.

Corporate Strategy is a combination of the following:

1. **Senior Management Direction and Insights**—This is provided by the company’s senior management, based on their experience and insights related to the business.

2. **Corporate Product Strategy**—This strategy defines the products or services the company offer, and the research and development (R&D) efforts required to create them.

3. **Corporate Marketing Strategy**—This strategy defines how the company plans to target, position, market, and sell the planned products. It also defines the metrics, targets, and budgets for all marketing activities.

4. **Corporate Operations Strategy**—This strategy defines how the company will manage its operational activities, manufacture its products (or provide services), and provide the corresponding customer support and warranty.

5. **Corporate Finance Strategy**—This strategy defines how the company will manage its finances, attain funding, and financially sustain its operations. The Finance Strategy should include forecasts and projections and summarize costs, income, and investments.

6. **Corporate Human Resource Strategy**—This strategy describes the human resource capabilities of the company and considers talent management and acquisition needs to sustain growth.

Typically, companies have existing documentation regarding their Corporate Product Strategy, Corporate Marketing Strategy, Corporate Operations Strategy, Corporate Finance Strategy, and Corporate Human Resource Strategy; these must be considered in an integrated manner to define a coherent Corporate Strategy. The level and complexity of documentation for these strategies may vary depending on the size of the company and the breadth of its product portfolio and geographic reach. If formal documentation of these strategies is not available (e.g., as with a start-up company), the teams involved in strategic planning should consider the various strategies using the SMstudy® Guide framework and decide on an overall Corporate
Strategy, which can then become a benchmark to execute future plans. Figure 1-3 shows the components of Corporate Strategy.

![Figure 1-3: Components of Corporate Strategy](image)

Corporate Strategy can be further divided into lower level strategies depending on the complexity of the organization. For example, the Corporate Strategy for an entire company can be divided into strategies for each business unit or geographic region (e.g., country, state, or city), and then subdivided further into a Product or Brand Strategy for each product or brand in a business unit or geographic region. The Product or Brand Strategy is the lowest level in this hierarchy.

Figure 1-4 illustrates the relationship between Corporate Strategy, Business Unit/Geographic Strategy, and Product/Brand Strategy.

![Figure 1-4: Levels of Strategy](image)

While each of the various strategies established in an organization has its own goals and expectations, it is important to note that all activities must align in order to ensure that teams are focused on achieving targets that will contribute to the overall business goals. In the Digital Marketing Strategy, which is the focus of this
book, specific targets are set that will enable the team to measure its own success. However, when goals and objectives are aligned across brands, functional areas, and business units, successful execution of the Digital Marketing Strategy also contributes to the attainment of marketing objectives and ultimately assists the business in the successful execution of the Corporate Strategy and, therefore, the achievement of the corporate goals.

Additional information about Corporate Strategy is available in Appendix A of the book on Marketing Strategy.
1.5 Aspects of Sales and Marketing

The SMstudy® Guide describes six Aspects of Sales and Marketing as follows:

1. Marketing Strategy (MS)
2. Marketing Research (MR)
3. Digital Marketing (DM)
4. Corporate Sales (CS)
5. Branding and Advertising (BA)
6. Retail Marketing (RM)

Since the SMstudy® Guide is geared towards Sales and Marketing professionals or those who desire to work in this field, the six Aspects are based on the six most common and often distinct career fields related to Sales and Marketing. Figure 1-5 illustrates the six Aspects of Sales and Marketing and how they interact with each other.

![Diagram of Aspects of Sales and Marketing]

Figure 1-5: Aspects of Sales and Marketing
The two marketing Aspects that are shown in dotted lines at the top of Figure 1-5 (i.e., Marketing Strategy and Marketing Research) are referred to as “Essential Marketing Aspects.” Both of these Aspects are mandatory and should be used to define, measure, and provide direction for the overall marketing efforts of a company.

The four remaining Aspects (i.e., Digital Marketing, Corporate Sales, Branding and Advertising, and Retail Marketing) are referred to as “Optional Marketing Aspects” because one or more of them could be used by a company to reach its marketing goals and, in some instances, not all are applicable. For example, a small company creating phone apps or online games may decide to solely use Digital Marketing; another company manufacturing heavy equipment may use only Corporate Sales; and a large consumer goods company or global fashion chain may decide to use all four Optional Marketing Aspects to reach its marketing goals.

1. **Marketing Strategy (MS)** describes how the Aspect of Marketing Strategy aligns with a company’s overall Corporate Strategy and acts as a unifying framework to define and analyze the other Aspects of Sales and Marketing. It also supports the alignment of all marketing resources among all Aspects. Marketing Strategy includes determining internal organizational strengths and weaknesses, as well as external opportunities and threats; identifying and segregating prospective buyers into market segments based on common needs; defining competitive positioning to satisfy specific customer needs; creating pricing and distribution strategies; and defining the metrics, objectives, and corresponding budgets for implementation, evaluation, and improvement of all marketing activities.

2. **Marketing Research (MR)** explains the concepts of Marketing Research and provides a framework to conduct marketing research and to analyze sales and marketing data. It also demonstrates how marketing research findings can help the marketing team conceptualize and finalize product features and other components of a company’s Marketing Strategy. In addition, Marketing Research discusses assessment tools that can be used to measure factors that can help drive better corporate decision making, and in turn more decisive marketing actions. Marketing Research can be conducted for any other Aspect of Sales and Marketing. It is commonly used to test multiple marketing hypotheses in order to better understand customers and consumer behavior, finalize product features, define metrics for measuring marketing efforts, and track and improve marketing activities.

3. **Digital Marketing (DM)**, which is the focus of this book, includes all marketing activities that use electronic devices connected to the Internet to engage with customers (e.g., computers, tablets, smartphones). These include activities related to creating and managing effective websites and mobile apps as well as promoting a company’s products and brand through various online channels that help meet marketing objectives. Some of the tools pertaining to Digital Marketing include Search Engine Optimization, Search Engine Marketing, Mobile Device Marketing, Social Media Marketing, and E-mail Marketing. This Aspect also demonstrates how an effective Digital Marketing Strategy can be a force multiplier for the other Sales and Marketing Aspects.

4. **Corporate Sales (CS)** outlines the best practices and processes to be followed for effective business-to-business (B2B) sales. It provides guidance on activities related to building strong business
relationships; successfully working with other businesses to help them see the value in the company’s products and services; understanding procurement management; conducting effective negotiations with other organizations; and ensuring leads generation, qualification, follow-up, and other related activities. It also emphasizes how corporate sales should interface with the other Sales and Marketing Aspects.

5. **Branding and Advertising (BA)** includes concepts of product branding, consumer behavior, marketing communications, and public relations. Branding is the process of creating a distinct image of a product or range of products in the customer’s mind. This image communicates the promise of value the customer will receive from the product or products. Branding should remain consistent across all channels of communications with the customer. Advertising is defined in the SMstudy® Guide as any paid form of non-personal communications to existing and potential customers that promote the company’s products through all types of media—such as radio, television, and print.

6. **Retail Marketing (RM)** presents concepts of all marketing activities related to persuading the end customer to purchase a company’s products at a physical retail outlet or store, and efficiently managing the supply chain and distribution channels to improve the reach and sales for a company’s products. This Aspect also discusses how Retail Marketing interfaces with the other Sales and Marketing Aspects.
1.6 Levels of Sales and Marketing Strategy

The Corporate Marketing Strategy, which is a component of the overall Corporate Strategy, is further divided into various Business Unit or Geographic Strategies, which in turn is further divided into particular Product or Brand Strategies for each product or brand. Figure 1-6 illustrates the relationship between Corporate Marketing Strategy, Business Unit/Geographic Marketing Strategy, and Product/Brand Marketing Strategy.

Figure 1-6: Relationship between Different Levels of Sales and Marketing Strategy

The Corporate Marketing Strategy is defined at a corporate level. It defines the overall marketing goals for the company. These general marketing goals drive more specific marketing strategies for each of the company's business units or geographies. Each business unit or geography in turn defines its own goals, which are relevant inputs for each area's particular Product or Brand Marketing Strategies. Each Product or Brand Marketing Strategy (also referred to as 'Marketing Strategy' in the SMstudy® Guide) defines Sales and Marketing objectives for each product or brand, which drive specific tactics that align with and often rely on other Marketing Aspects. Digital Marketing is one of six Aspects of Marketing defined in the SMstudy® Guide, and is the focus of this book. The marketing activities across all Aspects of Marketing are designed with the marketing objectives in mind. Within the strategy for each Aspect, including Digital Marketing, various activities are designed to meet specific targets that the team establishes will provide a measure of
success and enable the team to contribute to the overall marketing objectives and, ultimately, to the business goals.

*Example of Levels of Marketing Strategy:*

**Land Development Company**

- **Corporate Level:** A land development company wants to grow to be among the top three land development companies in its state.

- **Business Unit/Geographic Level:** The land development company operates two business units: Residential and Retail. A goal of the Residential Business Unit is to grow that unit by twelve percent within one year; a goal of the Retail Business Unit is to grow that unit by ten percent within the same time period.

- **Product/Brand Level:** Within the Residential Business Unit, the company sells three products: Condominiums, Townhomes, and Singles. The Singles Product Marketing Strategy identifies an objective to grow the sale of single units by fifteen percent. To achieve this objective, the teams responsible for building strategy within the various Aspects of Marketing establish specific objectives that are designed to support the overall product objectives and to align with one another.

- **Marketing Aspect Level:** The company's greatest strength is the fact that it is an award-winning leader in 'green' sustainable development. Therefore, the Branding and Advertising team plans specific tactics that incorporate an increase in reach of its messaging around sustainable development. One specific tactic is to leverage billboard and newspaper advertising with the objective of increasing reach of 'green' messaging by thirty percent. The Digital Marketing team incorporates tactics to support the objective of increasing the "green" sustainable development messaging, stressing the importance of this trend, and positioning the company as a leader in the industry, through the use of various social media channels. One specific tactic is to leverage blogs and online public relations with the objective of increasing the company's rankings in online searches related to keywords, such as "sustainable development." The tactics of each Marketing Aspect are aimed at achieving their own specific objectives; however, both support the overall Singles Product Strategy objective of achieving a fifteen percent growth in sales for this product line.
Example of Levels of Marketing Strategy:

Global Automobile Company

- **Corporate Level**: A global automobile company specializing in manufacturing luxury automobiles has a corporate goal to grow the company by eight percent in the upcoming year by launching new models of cars in its existing locations and entering new market segments.

- **Business Unit/Geographic Level**: The automobile company has been organized into multiple business units based on geographies where it conducts business. Each business unit has business unit goals that contribute to the company’s overall corporate goals. The business unit goals for next year are five percent growth in the United States, ten percent growth in China, four percent growth in the United Kingdom, twelve percent growth in India, and 6 percent growth in Germany.

- **Product/Brand Level**: To meet the ten percent growth target in China, the marketing team in China plans strategies for the three existing brands in the market (i.e., ‘Ceres,’ ‘Pallas,’ and ‘Vesta’) and also plans to launch a new brand, ‘Juno.’ Each brand targets a different customer segment. Ceres is an entry-level sedan, targeted at working professionals who aspire to have a luxury car; Pallas is a minivan, primarily targeted at families with children; Vesta is a four-wheel drive sport-utility vehicle for individuals who want both on- and off-road capability and to still be able to go on long drives; the new brand, Juno is a convertible that the Chinese business unit plans to target at young persons who want a stylish and fun car.

Each brand team creates a Marketing Strategy for its brand. When creating the Marketing Strategy, the team considers the strengths, weaknesses, opportunities, and threats for the brand; defines the market and identifies the different market segments; identifies the brand’s competition; finalizes the target market segment for the brand; analyzes the target market to create a differentiated positioning for the brand; and then finalizes the pricing and distribution strategies. Each team then determines the appropriate metrics and objectives that will help reach the team’s growth target, and finally a budget is allocated to each Marketing Aspect. Juno’s key metric is sales and its main objective is to sell 25,000 cars in the Chinese market the year after the vehicle is released. The Marketing Strategy team for Juno decides to use Digital Marketing, Branding and Advertising, and Retail Marketing to reach out to its target market segment. Juno’s product strategy team sets a budget of $1 million for Digital Marketing to sell 3,000 cars, $10 million for Branding and Advertising to sell 10,000 cars, and $15 million for Retail Marketing to sell 12,000 cars.

- **Marketing Aspect Level**: The metrics, objectives, and budgets allocated to each of the Marketing Aspects become inputs for those Aspects. For example, the Digital Marketing team may decide to create a high-quality website with their budget of $1 million and an objective of selling 3,000 cars.
1.6.1 Focus on Product or Brand Level Marketing Strategy

Although Corporate Marketing Strategy is discussed briefly here and in detail in Appendix A of the Marketing Strategy book, subsequent chapters of this book primarily discuss Digital Marketing as a contributor to the Marketing Strategy at the product or brand level. The objective of this approach is to focus on learning these concepts and developing strategies at the most granular level. The concepts, however, can be extrapolated and the knowledge applied to develop strategies at higher levels (i.e., Business Unit/Geographic or Corporate levels).
1.7 Marketing Strategy Overview

All successful products or brands need well-planned marketing strategies in place to ensure that they satisfy the goals set by the corresponding Business Unit or Geographic location, and in turn the overall Corporate Marketing Strategy. Marketing Strategy is therefore one of the most crucial Aspects of Sales and Marketing. It defines a product or brand’s unique value proposition, target markets, and the specific strategies to be used to connect with defined audiences. It also specifies the pricing and distribution strategies for a product or brand, and outlines the specific metrics, objectives, and budgets for all its marketing activities. Among the outputs of the Marketing Strategy are the specific Aspects that will be used to achieve the marketing objectives for a product or brand.

The Digital Marketing Strategy is often a key contributor to the execution of a successful Marketing Strategy given the speed of messages, its reach, and its convenience for both businesses and consumers. It is important to note, however, that Digital Marketing is just one element of a variety of Aspects of Marketing that companies use to grow their businesses and achieve their corporate goals. For an overview of Marketing Strategy and its various components, see Appendix A.2. For a comprehensive understanding of how to build and execute a Marketing Strategy that aligns all Aspects of Marketing toward achieving both the marketing objectives and the business goals, consult the Marketing Strategy (MS) book of the SMstudy® Guide series.
1.8 Digital Marketing Overview

Digital Marketing is one of several Aspects of Marketing discussed in the SMstudy® Guide series. Other Aspects discussed in this series include Marketing Research (MR), Corporate Sales (CS), Branding and Advertising (BA), and Retail Marketing (RM). The strategies for each of the Aspects of Marketing are derived from the outputs of the Marketing Strategy (MS), which are described in the SMstudy® Guide series on Marketing Strategy.

It is important to note that all Aspects of Marketing must be aligned and work together in order to achieve the overall marketing objectives. Therefore, setting the strategy for Digital Marketing requires constant and continuous collaboration and communication with other departments, functional areas, and business units, as well as other stakeholders including senior management and partners.

The processes associated with establishing a Digital Marketing Strategy include gaining an understanding of the specific targets that this Aspect of Marketing must achieve in order to contribute to the successful attainment of overall marketing objectives; recognizing and evaluating the various digital marketing channels and options that digital media offers; building or acquiring the needed expertise and establishing a strong digital presence; optimizing each of these channels to ensure maximum reach; building good customer relationships; and establishing and protecting a strong reputation in the chosen markets.
1.8.1 Understand and Evaluate Digital Marketing (DM) Channels

Chapter 2 of this book focuses on gaining an understanding of the available DM channels that marketers can use to achieve the digital marketing targets that have been derived from the marketing objectives for a product or brand. Given the nature of the online world, which is constantly evolving and expanding—new channels are developing with greater frequency, and audiences are continuously exploring new sources of online content—digital marketers must regularly assess and reassess digital marketing channels for their effectiveness and applicability in helping achieve the company’s overall organizational goals and objectives. Once the Digital Marketing Strategy has been established, it must continuously be monitored and evaluated to ensure its relevance to the target audiences and adjusted to address frequently changing consumer needs, preferences, and online trends as well as to ensure the targets that the Marketing Strategy has outlined for the digital marketing team are being met.

There are two processes that help a company explore the digital marketing options available. In the first process, the business gains an understanding of the available channels including the company's main website as well as its product websites; the website and apps for mobile devices, such as phones and tablets, among others; and finally the various platforms of social media. The second process involves evaluating each channel as a means of achieving the digital marketing targets, contributing to the marketing objectives for a product or brand, and supporting the corporate goals.

Figure 1-7 provides an overview of the processes discussed in chapter 2, Understand and Evaluate Digital Marketing Channels.

<table>
<thead>
<tr>
<th>2.1 Understand Available DM Channels</th>
<th>2.2 Evaluate DM Channels</th>
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</thead>
<tbody>
<tr>
<td><strong>INPUTS</strong></td>
<td><strong>INPUTS</strong></td>
</tr>
<tr>
<td>1. Senior Management Direction and Insights</td>
<td>1. Understanding of Available DM Channels*</td>
</tr>
<tr>
<td>2. Existing Website Knowledge*</td>
<td>2. Allocated Budget*</td>
</tr>
<tr>
<td>4. Existing Social Media Knowledge*</td>
<td>4. Positioning Statement*</td>
</tr>
<tr>
<td>5. Information from Relevant Sources</td>
<td>5. Product Features</td>
</tr>
<tr>
<td><strong>TOOLS</strong></td>
<td><strong>TOOLS</strong></td>
</tr>
<tr>
<td>1. Meetings and Discussions*</td>
<td>1. SMstudy® DM Evaluation and Improvement Tool*</td>
</tr>
<tr>
<td>2. Expert Training and Knowledge-Sharing Workshops</td>
<td>2. Meetings and Discussions*</td>
</tr>
<tr>
<td>3. Explore Websites</td>
<td>3. External Expertise</td>
</tr>
<tr>
<td>4. Explore Mobile/Tablet/Devices</td>
<td>4. Evaluation of DM Channel Interactions*</td>
</tr>
<tr>
<td>5. Explore Social Media</td>
<td><strong>OUTPUTS</strong></td>
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<tr>
<td><strong>OUTPUTS</strong></td>
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</tr>
<tr>
<td>1. Understanding of Available DM Channels*</td>
<td>1. Selected DM Channels*</td>
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<td></td>
<td>2. Integrated DM Channel Plan*</td>
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<td></td>
<td>3. Anticipated Future Scenarios*</td>
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</tbody>
</table>

Figure 1-7: Understand and Evaluate Digital Marketing (DM) Channels Overview

Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
1.8.2 Plan and Develop DM Channels

The third chapter of this book discusses the processes associated with developing DM channels and includes the specific steps required to build a presence within digital channels—namely websites, mobile apps and sites, and social media sites. Organizations develop their digital marketing channels based on market research, expert feedback, and case studies that provide insights into the successes and failures of competitors in addressing the same target segments. Because the online marketplace is evolving and new channels are developing with great frequency, businesses must constantly stay in touch with their audiences’ needs and ensure that they adapt to stay relevant to these needs. Another factor that organizations must keep in mind when interacting with consumers through digital media is maintaining consistent brand messaging and positioning across all channels and through various marketing activities.

Three processes are described in this chapter. Each is aimed at planning and developing the three primary digital marketing channels: the company website, the mobile channel, and social media.

Figure 1-8 provides an overview of the processes discussed in chapter 3, Plan and Develop DM Channels.

<table>
<thead>
<tr>
<th>3.1 Plan and Develop Website Channel</th>
<th>3.2 Plan and Develop Mobile Channel</th>
<th>3.3 Plan and Develop Social Media Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INPUTS</strong></td>
<td><strong>INPUTS</strong></td>
<td><strong>INPUTS</strong></td>
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<tr>
<td>1. Integrated DM Channel Plan</td>
<td>1. Integrated DM Channel Plan</td>
<td>1. Integrated DM Channel Plan</td>
</tr>
<tr>
<td>2. Website Metrics, Targets, and Budgets*</td>
<td>2. Mobile Metrics, Targets, and Budgets*</td>
<td>2. Social Media Metrics, Targets, and Budgets*</td>
</tr>
<tr>
<td>3. Selected Target Segments*</td>
<td>3. Selected Target Segments*</td>
<td>3. Selected Target Segments*</td>
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<td>5. Details of Competitive Products</td>
<td>5. Details of Competitive Products</td>
<td>5. Details of Competitive Products</td>
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<tr>
<td><strong>TOOLS</strong></td>
<td><strong>TOOLS</strong></td>
<td><strong>TOOLS</strong></td>
</tr>
<tr>
<td>2. Marketing Research</td>
<td>2. Competitor Mobile Site/App Analysis</td>
<td>2. Meetings and Discussions*</td>
</tr>
<tr>
<td>3. Website Design Skills*</td>
<td>3. Marketing Research</td>
<td>3. Competitor Social Media Activity Analysis</td>
</tr>
<tr>
<td>5. SEO Skills*</td>
<td>5. Mobile Website Development Methods*</td>
<td>5. Emerging Technology Assessment</td>
</tr>
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<td>7. Website Architecture Design*</td>
<td>7. Emerging Technology Assessment</td>
<td>7. Meetings and Discussions*</td>
</tr>
<tr>
<td>9. Mock-ups</td>
<td>9. Meetings and Discussions*</td>
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<tr>
<td><strong>OUTPUTS</strong></td>
<td><strong>OUTPUTS</strong></td>
<td><strong>OUTPUTS</strong></td>
</tr>
<tr>
<td>1. Created Website*</td>
<td>1. Created Mobile Site*</td>
<td>1. Content Creation and Distribution Plan*</td>
</tr>
<tr>
<td>2. Refined Metrics and Targets for Website</td>
<td>2. Created Mobile App*</td>
<td>2. Created Social Media Presence*</td>
</tr>
</tbody>
</table>

Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
### 1.8.3 Optimize Website

Chapter 4 of this book takes a close look at the first of three DM channels: the company website. Once the website has been established, it is critical to implement measures to ensure that it is optimized to achieve maximum reach, to build strong relationships with customers and potential customers, and to support the company’s reputation. Optimization for reach involves using specific tools such as search engine optimization (SEO), search engine marketing (SEM), and search engine advertising (SEA), as well as leveraging strategic alliances and public relations to ensure the business is reaching the required number of current and potential customers through this channel. Once the company has developed the capability to reach out to the maximum number of customers in its target segments, it must monitor and improve its relationships with current and potential customers by using various promotions and offers, providing valuable content, and incorporating various feedback mechanisms. Finally the site must be optimized to ensure that it is supporting or strengthening the reputation of the company. Several tools are discussed in this section including leveraging public relations and using web analytics to gauge consumer perception.

This chapter discusses three processes aimed at optimizing the company website for reach, relationship, and reputation. These are shown in Figure 1-9.

![Figure 1-9: Optimize Website Overview](image)

Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.

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**4.1 Optimize Website for Reach**

**INPUTS**
1. Created Website*
2. Reach Metrics and Targets for Website*

**TOOLS**
1. Competitor Reach Analysis
2. Search Engine Marketing (SEM)*
3. Search Engine Advertising (SEA)
4. Third-Party Advertising
5. Off-Page Search Engine Optimization (SEO)*
6. Online Public Relations (PR)
7. Strategic Alliances with Online Marketplaces
8. Corporate Sales and Marketing
9. Meetings and Discussions*

**OUTPUTS**
1. Optimized Website for Reach*
2. Updated Reach Metrics and Targets for Website*

**4.2 Optimize Website for Relationship**

**INPUTS**
1. Created Website*
2. Relationship Metrics and Targets for Website*
3. Customers Reached through Website*
4. Customer Feedback*

**TOOLS**
1. Competitor Relationship Analysis
2. Website Analytics*
3. Offers and Promotions
4. Useful and Interesting Content
5. Customer Feedback and Interviews*
6. Website Editing
7. Corporate Sales and Marketing
8. Meetings and Discussions*

**OUTPUTS**
1. Optimized Website for Relationship*
2. Updated Relationship Metrics and Targets for Website

**4.3 Optimize Website for Reputation**

**INPUTS**
1. Created Website*
2. Reputation Metrics and Targets for Website*
3. Customer Feedback*
4. Presence on External Websites*

**TOOLS**
1. Branding and Advertising
2. Indexing on Popular Web Directories*
3. Proactive Customer Feedback Collection and Analysis*
4. Registration on Industry Association Websites
5. Website Analytics*
6. Corporate Sales and Marketing
7. Meetings and Discussions*
8. Online Public Relations (PR)
9. Customer Support Systems
10. Referral Programs

**OUTPUTS**
1. Optimized Website for Reputation*
2. Improved SEO for Website*
3. Updated Reputation Metrics and Targets for Website
1.8.4 Optimize Mobile/Tablet/Devices

Optimize Mobile/Tablet/Devices is the fifth chapter of Digital Marketing. The mobile channel, which includes both the mobile website and mobile app, is discussed in detail in this chapter with a specific focus on optimizing this channel to achieve maximum reach, to build and enhance relationships with customers, and to support the company’s reputation. The ever-changing landscape of mobile devices makes it important for the digital marketing team to understand this channel. The team must actively monitor any changes in technology and the inception of new tools to ensure that technology is being leveraged effectively. Also consistency of brand messaging across all devices, as well as customer engagement, feedback, and support are discussed in this chapter.

Three processes aimed at optimizing the mobile channel for reach, relationship, and reputation are discussed in this chapter. These are shown in Figure 1-10.

![Figure 1-10: Optimize Mobile/Tablet/Devices Overview]

Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
1.8.5 Optimize Social Media

Chapter 6 of this book describes the steps required to optimize the company’s social media activities. A variety of tools and techniques can be used to maximize reach, relationship, and reputation in the social media space. This chapter discusses various activities that can be undertaken to establish a strong social media presence and create a positive customer experience, including creating high-quality content, encouraging others to share content, and expanding the professional and personal networks of those aligned and associated with the business. Customer engagement is a key component of a strong social media presence as satisfied customers can provide an effective means of spreading positive messages about the business, thus expanding the company’s reach. The chapter also focuses on building strong relationships through compelling content, customer support, and managing consumer perception of the business and its brands.

This chapter discusses three processes aimed at maximizing reach, relationship, and reputation in the social media space. These are shown in Figure 1-11.

![Figure 1-11: Optimize Social Media Overview](image_url)

**Note:** An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
1.8.6 Other Important Elements of DM Channels

The last chapter of this book, titled Other Important Elements of DM Channels, discusses additional digital marketing activities that should be considered when creating a comprehensive Digital Marketing Strategy. Digital Marketing is a vast and constantly changing marketing channel. The challenge for most digital marketers is to not only stay abreast of what their competitors are doing in the market, but to also remain aware of advancements in technology and of changes in consumer use of technology. As new technology is introduced and old technology becomes obsolete, marketers must adapt to changing trends and consumer behavior. This chapter provides specific details on some concepts that are mentioned in other areas of this digital marketing book that warrant further clarification and a more thorough discussion. Specifically this chapter discusses the following digital marketing concepts:

- E-mail Marketing
- Web Analytics
- Search Marketing
- Popular Social Media Platforms
- Affiliate Marketing
- Search Engine Optimization

Each of these elements can play a significant role in a company's Digital Marketing Strategy.
When creating an online presence, one of the initial steps is to determine the targets as defined by the Marketing Strategy and then explore the various digital marketing channels available to achieve those targets. Companies typically market their products or services to targeted audiences that differ in demographics such as age, geography, and income. Implementing digital marketing tactics allows a company to target very specific audiences and measure each tactic effectively.

Given the nature of the online world, which is constantly evolving and expanding—new channels are developing with greater frequency, and audiences are continuously exploring new sources of online content—digital marketers must regularly assess and reassess digital marketing channels for their effectiveness. To identify the most effective marketing channels for an organization’s products or services, marketers spend a considerable amount of time and effort identifying and understanding the dynamics of all available digital marketing channels and evaluating these channels relative to their company’s overall organizational goals and objectives. Once the Digital Marketing Strategy has been established, it must be continuously monitored and evaluated to ensure its relevance to the target audiences and adjusted to address frequently changing consumer needs, preferences, and online trends and to ensure the targets that the Marketing Strategy has established for the digital marketing team are being met.

Figure 2-1 provides an overview of the following two processes in this chapter.

2.1 Understand Available DM Channels—This process explores various digital marketing channels that an organization may use to meet its Sales and Marketing objectives and, in turn its corporate goals.

2.2 Evaluate DM Channels—This process evaluates various digital marketing channels to determine their relevance and effectiveness in achieving previously determined performance targets for Digital Marketing.
### 2.1 Understand Available DM Channels

**INPUTS**
1. Senior Management Direction and Insights
2. Existing Website Knowledge
3. Existing Mobile/Tablet/Devices Knowledge
4. Existing Social Media Knowledge
5. Information from Relevant Sources

**TOOLS**
1. Meetings and Discussions
2. Expert Training and Knowledge-Sharing Workshops
3. Explore Websites
4. Explore Mobile/Tablet/Devices
5. Explore Social Media

**OUTPUTS**
1. Understanding of Available DM Channels

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### 2.2 Evaluate DM Channels

**INPUTS**
1. Understanding of Available DM Channels
2. Allocated Budget
3. Industry Norms
4. Positioning Statement
5. Product Features
6. Pricing Strategy
7. Distribution Strategy
8. Selected Marketing Aspects and Targets

**TOOLS**
1. SMstudy® DM Evaluation and Improvement Tool
2. Meetings and Discussions
3. External Expertise
4. Evaluation of DM Channel Interactions

**OUTPUTS**
1. Selected DM Channels
2. Integrated DM Channel Plan
3. Anticipated Future Scenarios

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*Figure 2-1: Understand and Evaluate Digital Marketing (DM) Channels Overview*

Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
2.1 Understand Available DM Channels

This process involves exploring the various digital marketing channels that an organization can use to stay in touch with customers and potential customers in an effort to achieve the marketing objectives for a product or brand. The digital marketing team analyzes the Internet behavior patterns of its target audience and identifies all possible online media that are used by those consumers being targeted. It observes macro trends that might impact the way in which the organization markets and sells a product or service to consumers. As a result of this process, the organization gains a better understanding of the digital landscape and learns how it can develop and implement its marketing strategies to be effective. The output of this process is a comprehensive understanding of the various digital marketing channels the company can use to reach out to prospective customers.

Figure 2-2 shows the inputs, tools, and outputs for the Understand Available DM Channels process.

Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
2.1.1 Inputs

2.1.1.1 Senior Management Direction and Insights

The overall Marketing Strategy of the organization plays a key role in defining the targets that the Digital Marketing Strategy must achieve. Seeking senior management guidance when defining the Digital Marketing Strategy is important to initiate digital marketing efforts and achieve the desired strategic objectives.

For the successful implementation of a Digital Marketing Strategy, the organization must have a clear understanding of three foundational components:

- the digital marketing targets as established by the Marketing Strategy
- the target segments the organization has decided to focus on
- the consumer needs and values the organization aims to address through digital marketing efforts

Senior management plays a critical role in providing clarity on these three components. Using direction from senior management, the digital marketing team can identify the digital marketing channels that will best enable the business to reach out to current customers and acquire new customers. Without senior management insights, the team may not be clear on senior management’s vision with respect to Digital Marketing, nor will the team have a comprehensive understanding of the marketing objectives and how Digital Marketing can be best used to support these objectives. As a result, the digital marketing team may not be able to establish a Digital Marketing Strategy that aligns with the objectives of the Marketing Strategy and the overall corporate goals.

2.1.1.2 Existing Website Knowledge*

The team creating the Digital Marketing Strategy for a product or brand needs to have detailed knowledge about the organization’s existing website, as well as a complete understanding of the product, brand, or service that the company aims to market and sell through the website. It is also important for the team to review and understand relevant statistics related to the company’s website, such as the number of visitors, the average time spent on the site, the profiles of the audience, any existing customer feedback, the conversion rate of consumers, and so on. This data can serve as a benchmark for the digital marketing team to measure the effectiveness of future strategies and targets. The digital marketing team can also compare existing company website information with that of competitors (e.g., using industry statistics or independent tools to benchmark the website’s performance and determine which areas of the website could be enhanced to create a better consumer experience and eventually increase sales.)
2.1.1.3 Existing Mobile/Tablet/Devices Knowledge*

Mobile, tablet, and other Internet-enabled devices (such as smartwatches) are personal devices that often form a large part of a company’s Digital Marketing Strategy. A company can use these platforms for one-to-one communication with its audience. With an increasing percentage of consumers using the Internet on-the-go, having a mobile version of a website helps a business reach out to consumers across all devices connected to the Internet. To ensure that customers and potential customers instantly land on the mobile version of the site when they are using their mobile devices, businesses must ensure their sites are mobile friendly. Having a mobile website also helps in the search engine optimization (SEO) of sites; as multiple pages index to the main website, the main website’s organic ranking improves, which is advantageous for a business to build an online presence. In order to obtain this level of optimization on mobile sites, the team must understand the features and constraints of smartphones, tablets, and other similar devices, and design and develop their websites accordingly.

Mobile technology has been advancing at a very fast pace. Smartphones have become mainstream and many consumers use their mobile phones or other mobile devices to view product reviews, make price comparisons, or find other information about products while they are shopping in-store. With consumers increasingly using technology on-the-go, a company’s Digital Marketing Strategy must be designed to take full advantage of this consumer trend.

For some businesses, it also makes sense to have a localized application for specific devices such as Internet-enabled health monitoring devices and smartwatches. This technology helps businesses communicate with their users based on individual preferences, which helps to build brand loyalty.

Examples of Existing Website Knowledge:

- Tools such as Google Analytics provide detailed statistics about website performance including visitor traffic, audience geographic profile, and visitor flow to different website pages. Conversion tracking and real-time data provide insights into specific actions performed by users on the website.
- Companies use several website ranking tools such as Alexa, Compete, and Quantcast to compare their website traffic with that of their competitors. These tools provide comparative reports on the percentage of visitors from different traffic sources, engagement metrics (such as average time on a website), and ranking by country.
**Examples of Existing Mobile/Tablet/Devices Knowledge:**

- A commercial bank gathers insight from its own data and from industry research and realizes that customers want ways to bank in a more efficient way. The bank subsequently launches a mobile app for banking on-the-go. This helps the bank align its business to the changing needs of its customers and also helps it compete with other banks that were earlier adopters of mobile apps.

- An online retail company prompts its visitors to its website to install its mobile app to receive attractive offers. Once users install the app, the company can track specific user behavior. Based on past purchases and search patterns, the company can use pop-up advertising to suggest attractive deals and incentivize users to purchase specific products.

- A gaming application company provides a free smartwatch app to players that provide them with useful information regarding the company’s current games. The company uses the app to show advertisements to players during downtimes in order to monetize its gaming apps.

### 2.1.1.4 Existing Social Media Knowledge*

“Social media” is an umbrella term that includes web-based software and services that bring users together online and allow them to exchange ideas, discuss issues, communicate with one another, and participate in many other forms of social interaction. With the proliferation of different forms of social media, such as blogs, forums, audio-visual sharing sites, personal networking sites, and professional networking sites, consumers are constantly bombarded with many marketing messages.

Social media is important to every business that has a web presence because it can help drive traffic to the company’s website and ultimately increase sales leads and conversions. Additionally, different social media platforms are more likely to reach certain target audience segments, and messaging can be customized for each platform. The features and functionality of social media platforms are constantly evolving as lesser-used functionality is removed and replaced by new functionality. It is critical for the digital marketing team to be up-to-date on the latest trends in social media and to understand how other organizations use social media to their advantage.

Marketers also need to be aware of paid opportunities within social media marketing such as sponsored updates and ads, as well as earned opportunities to disseminate marketing messages by organically building followers. Often, a combination of paid and earned campaigns yield the best results.
There are many information sources that can be used to gather relevant data regarding various digital marketing channels. A digital marketer needs to be aware of all possible digital marketing channels that can help reach target customers. In this digital age, it is extremely important to understand the latest online communication trends, emerging digital marketing channels, data on consumer spending, and overall consumer behavior.

The digital marketing team should take the time to evaluate the best mix among the available digital marketing tools and initiatives in order to determine the most valid and suitable tactics for the target audience. Such considerations include e-mail marketing campaigns, purchasing digital mailing lists, launching social media initiatives, adding videos, enhancing web pages, and implementing mobile initiatives across various devices. Staying abreast of the newest trends in consumer behavior in the digital environment can be a challenge given the fact that trends change rapidly; however, the digital marketing team can gain significant insights from various information sources such as industry reports, expert discussions and articles, market research reports, digital marketing news sources and blogs, trade journals, and other publications.
2.1.2 Tools

2.1.2.1 Meetings and Discussions*

The digital marketing team meets to identify who its target audience is, where they spend their time online, and what their needs and requirements are, as well as to decide on the best possible channels to reach out to that audience. Companies increasingly make use of social interaction sites to monitor brand perception in the minds of consumers and to interact with consumers to understand their needs and requirements. Meetings and discussions provide a forum to discuss brand perception knowledge and consumer trends, and to collaborate on tactics that the team can implement in order to build on strengths and address any concerns. The team also meets with experts and conducts competitor analysis to identify the most effective channels to reach target consumers. If the company has an existing online presence, then historical data can also be important to consider when selecting the appropriate marketing channels for the product or brand.

2.1.2.2 Expert Training and Knowledge-Sharing Workshops

To implement a good Digital Strategy, a team needs to be assembled, resources need to be allocated, and investments need to be made. An organization must understand and keep up with technology and the marketing opportunities that enhanced technology provides. Understanding the technology platforms available and the best practices for creating an engaging user experience across a variety of devices is also important. Digital Marketing changes happen at a fast pace and establishing a culture that fosters growth and innovation, knowledge of technology infrastructure, and a customer-centric focus will help ensure long-term success.

Because Digital Marketing is such a dynamic field, participation in conferences and other knowledge-sharing events is beneficial to ensuring that the team stays up-to-date on the latest digital platforms, technology, and initiatives.

Example of Information from Relevant Sources:

- Federal government agencies that oversee the collection and publication of economic data are a good source for information on consumer Internet spending. For example, government publications can provide statistics on consumer trends and patterns, the number and value of Internet orders, and Internet spending by market segment, geographic area, or product category. Such data can offer significant insights into how to optimally use Digital Marketing in a particular market segment or product category in order to achieve marketing objectives.
2.1.2.3 Explore Websites

An effective website is a critical component of a company’s overall online success. The company’s website serves as the central hub and foundation for its online activity. With a plethora of available website designs, the digital marketing team must determine the appropriate and optimal design and message. The brand messaging on the website has to be in-line with the overall brand message and must stay relevant to the target audience. Besides having a basic understanding of the technology on the website, the digital marketing team must also consider the following facets of creating a website:

**Consumer Perspective**

- **Relevance**—Age, cultural nuances, geography, and other demographic factors of the target audience will influence the type of content on the website.

- **Usability and Design**—The digital marketing team must take into consideration how technically savvy its target customer is. If the target customer does not generally have the appropriate comfort level with technology, the team should design a simple, text-based layout with easy navigation and basic features. If the target customer is comfortable and familiar with the Internet and computer use, a more intricate, interactive, and information-rich website can be implemented. The design of the site should depend on the expectations of both the users and the company. In some cases, the development might focus on consumer engagement, while in other cases, the design might be oriented toward supporting task-oriented behavior such as the ability to make changes to one’s account, purchase a product or service, and so on.

**Site Development Perspective**

- **Purpose**—Companies maintain a web presence for a variety of reasons. While some companies use websites as their main method of selling their products, other companies have an online presence just to support their business, message, and brand position. There are companies that use websites as a public relations (PR) tool, to enhance brand value in the minds of their customers, or to evaluate product feedback from customers that may help in understanding customer needs, general communications, product updates, and sales. The digital marketing team...
is responsible for ensuring that the website is designed to meet the overall strategic objectives outlined in the Marketing Strategy.

- **Planning**—The digital marketing team must work with the website development team to plan the execution of the website, beginning with creating a storyboard for the website; listing functional requirements; building the database structure; developing wireframes; and determining hypermedia linkages, search engine key words, graphical design components, user interface designs, audio/video sources, animation, and text requirements and formats.

- **Performance**—The digital marketing team also must consider the logical design of a good website, compare the performance of competitor websites to identify best practices, check for effective performance across browsers and operating systems, and perform usability testing of the website to ensure that it is easy to use.

- **Maintenance**—Websites create an online presence for a brand, so the digital marketing team must ensure that the website is maintained and tested regularly. Downtime on a website may adversely affect the direct online sales of products and may also taint brand reputation in the minds of consumers. For example, if an e-commerce company has an issue with its payment mechanism for even a few hours, the business could lose sales and may even lose some of its loyal customers. It is therefore important to consider factors such as the platform on which the website will be hosted and whether the site will have a content management system (CMS) on the back end to enable changes and updates to be made easily without having to adjust any web code.

**Examples of Explore Websites:**

- Websites of small businesses, such as auto repair service companies and home maintenance contractors, usually provide basic information to enable the customer to make a purchase decisions. This information generally includes the history of the business, products and services offered, contact information, working hours, and testimonials from customers.

- E-commerce websites are designed to sell products online. Information about the products is organized into multiple categories that make navigation easy for those consumers who are looking for a specific product. Website features such as product descriptions, user reviews and ratings, and a shopping cart allow consumers to choose and pay electronically for their selected products using a variety of secure online payment methods.

- If consumers come to a company’s website for educational purposes, the team may decide to deliver the content mostly through videos and online simulations while maintaining a clean layout with few distractions.
2.1.2.4  Explore Mobile/Tablet/Devices

With an increase in the number of individuals using smartphones (also referred to as “mobiles”), tablets, and other Internet-enabled devices, organizations must spend significant time understanding the capability and usability of these devices. This is important since mobiles, tablets, and other Internet-enabled devices allow companies to stay connected to consumers through the relevant channels. The digital marketing team should identify appropriate marketing channels where the target customers are present and develop strategies to engage consumers. The rapid rise in mobiles, tablets, and Internet-enabled wearables and devices has led to a shift in web design approaches, with web development focused on these devices becoming a much higher priority than it has been in the past.

**Usability and Design**—Organizations with established large scale websites have recognized the growing need for compatible tablet and mobile-accessible content and have implemented updates to their websites to reduce content and website size in order to be more suitable for mobile-accessible devices. It is important to note, however, that this approach works for websites that merely offer information to customers. The strengths of such updated websites may fade as more customers seek interaction through mobile devices and tablets.

Companies must now consider browsing habits that include longer (or shorter) sessions than computer users and create content that is in line with the swipe-and-tap mechanics of a tablet or smartphone over the point-and-click mechanics of traditional computers.

**Performance**—The advent of these devices has also provided companies with an opportunity to gather more personal data from their users and push relevant, context-driven content. Such mobile-optimized content must load quickly on mobile devices to ensure that performance expectations of consumers are met.

**Examples of Explore Mobile/Tablet/Devices:**

- An established coffee shop franchisor with an online presence may encourage consumers to download the mobile app from its corporate website to give customers the opportunity to learn about new promotions and campaigns and the ability to find the closest franchise to their current location. The app offers customers the convenience of finding a coffee shop quickly and effortlessly and enables the customer to take advantage of promotions from wherever they are at any given moment as soon as they are made aware of them. The franchisor has the added benefit of providing significant promotional support to franchisees, thus increasing the sales of the local franchisee while growing the business as a whole.

- A fitness products company sells a smart wrist band to help track physical activities and achieve set fitness goals. Based on this specific user data collected, the company sends customized offers to its users through various channels.
2.1.2.5 Explore Social Media

Social media refers to all channels where people and customers are able to interact with each other via digital media that are public or accessible to multiple users. There are a number of social media websites, each of which has created its own model for enabling people to communicate with each other. Social media sites use content in various forms to build digital communities in which ideas and content are shared and discussion and comments are encouraged.

When planning a Social Media Marketing Strategy, it is important to keep in mind that consumers will not always react positively to a company’s updates and content on social platforms. Negative comments about a brand and its products are inevitable even on the company’s own social media platforms. Some companies will choose to exert control over comments on their own platforms and delete those that they feel reflect poorly on the brand. Other companies may choose to allow the negative comments to remain and respond in an empathetic way by offering an apology and/or a solution to issues. Leaving negative comments online, along with the company’s responses shows that the company is open, honest, and transparent. This also provides an opportunity to turn disgruntled customers into loyal brand users.

It is also important to understand the distinction between “earned” and “paid” opportunities for “sharing.” For example, building “followers” or “shares” through the development and posting of valuable content is “earned.” Alternatively, several social platforms provide “paid” opportunities for advertising and promoted posts in order to share information. Earned and paid strategies on social media are not mutually exclusive and often the most effective social media strategies employ a combination of both.

The various models of social media-enabled sharing are of the following content types:

1. **Blogs**—Blogs are content created by individuals, groups, or companies to express their opinions or to provide information or insights on specific topics of their choice. The most popular blogs choose topics that are of interest to a large community. However, niche blogs catering to a certain targeted audience can be successful if they dominate the “share of voice” in that particular subject area. Successful blogs have something interesting, useful, or creative to share, and do that sharing with an engaging style. Blogs may contain images, infographics, or videos in addition to text. In most cases, they are also open to comments from readers. These comments are generally directed to the author. Sometimes readers discuss a blog post among themselves, resulting in a discussion forum. Blogs are typically part of an overall content Marketing Strategy, which is about providing informative, helpful content to potential customers rather than overtly selling.

   From a company’s perspective, a blog or Rich Site Summary (RSS) feed is an effective means for updating actual or prospective customers of happenings related to the company or the company’s products. RSS feeds use standard web feed formats to publish blog posts and syndicate data automatically. RSS feeds are a convenient way for users to receive timely updates from their favorite websites or aggregate data from many sites without constantly checking websites for new content. When users subscribe to an RSS feed their browser monitors the site and informs the user of any updates. The browser can also be set so that new data is automatically downloaded for the user.
Frequent updates also keep content fresh, enable curating of content, and facilitate the sharing of relevant content created by others, while contributing to a website's ranking in search engines. Contributions from established, well-known bloggers are generally considered credible and influential.

2. Discussion Forums—These are websites used for discussing issues related to a specific topic. Participants in such forums may be asked to register. They are encouraged to ask each other questions, answer questions, and share information. Many forums allow participants to rate each other's contributions, enabling contributors to build their reputations over time. Some discussion forums may be hosted and moderated by the company, in which case, the company would have some influence on the content of the discussion. In other cases, discussion forums are independent of a company; however, companies should be aware of popular discussion forums in which their products may be discussed and make an effort to respond to customers within those forums. Companies can also participate in such forums actively to engage with participants and build a positive identity for themselves and their products and brands. Social media monitoring tools can scan social platforms such as discussion forums for mentions of the company or the company's products or brands. If trusted contributors mention a company's product or brand or provide a link to its webpage, then the company's website may witness a significant improvement in search engine rankings and increased visitors to the website.

3. Professional Networking Sites—These sites relate to people, groups, or companies sharing professional updates, content, and discussions generally related to an organization, a company, a product, or a profession. These sites are used to build an individual's personal brand as well as to raise awareness of businesses’ brands and their products or services within the online community. Companies share such professional updates for various purposes, such as sharing product launch information, communicating offers and discounts, announcing changes in policies, and sharing media coverage. Relevant and engaging updates can help companies build and retain a loyal base of customers.

Example of Explore Social Media—Professional Networking Sites:

- A large American multinational banking and financial services corporation realized that its brand was not as powerful among female professionals as their male counterparts. In response, the company created a group on LinkedIn in which female professionals could engage in conversations about their working lives. The company anticipated that such a group would bridge the gap in brand perception between men and women. Within a few months, the group reached 30,000 members and continued to expand at a rapid pace each year. It eventually emerged as one of the more popular groups on the network.

4. Social Networking Sites—These are sites that allow people or groups to share personal updates about themselves or about a topic. These updates are generally shared with friends, relatives, or
acquaintances, but they may also be shared with the general public. A company needs to create content or share updates that are relevant, interesting, or entertaining enough for people to share with their personal network, and the content shared should also align with the marketing objectives for a product or brand. Therefore, businesses should focus their social networking site updates on useful and interesting information on subjects related to the company’s product or brand. This channel provides the opportunity for companies to share their brand personality and advertise company events, sales, and discount coupons. The focus of these updates should be on fun and engaging shareable content. Also, companies that have a high level of brand loyalty and where customers relate to the brand strongly may find customers voluntarily creating content or experiences related to the brand, or sharing the brand’s updates.

Examples of Explore Social Media—Social Networking Sites:

- A popular US airline designed a campaign that used Twitter to both increase sales and gather charitable donations. The company used promoted tweets to announce low fares, part of which would be donated to a well-known charity. The campaign generated tremendous response as the company received over 10,000 hashtag mentions, while raising significant funds for the charity. The airline also recorded one of its top sales days.

- A popular cookie brand ran an exceptionally successful campaign using Facebook to celebrate its one hundredth birthday. For one hundred days, the brand produced one hundred Facebook posts using cookies in creative photos to showcase trending stories. The campaign was extremely popular achieving over 200 million interactions with viewers across over 2,000 articles. The company’s reach through Facebook grew to over a million fans, user engagement improved, and their share rate also grew significantly.

5. **Video Sharing Sites**—These sites allow users to share videos, audio, infographics, or images with other people. Such content can be shared with any person or group. In most social media channels that are focused on sharing such content, people can vote on or rank audio-visual content or add their comments. Thus, these channels integrate the discussion forum element into audio-visual sharing. On a social media channel for sharing videos, users can “like” or “dislike” a video, comment on the video, and reply to each other’s comments. At times, such posts from users may be misused by competitors or by people with ulterior motives, resulting in hate speech, insults, swearing, and general unpleasantness. Given the fact that these sites are vulnerable to such consumer misbehavior, forums may require moderators or restricted access protocols to ensure that discussions and feedback stay relevant, socially appropriate, and unbiased.

Companies can use such channels very effectively as videos, images, and audio can have a much larger impact on the target market than text updates. Many companies invest in creating engaging and interesting videos about their products, which sometimes become extremely popular and drastically
increase brand visibility. Some also create melodies around their product, which can become as popular as songs in their own right or as ringtones for mobile phones.

**Example of Explore Social Media—Video Sharing Sites:**

- A successful YouTube marketing campaign increased sales for a small travel bookshop in Switzerland. To combat an increase in online travel research, the bookshop highlighted the limits of the Internet with a video showing a crashed Google Streetview car. The video went viral, and was covered by some of Switzerland’s biggest news publications. A Flickr account also posted photos of bookshop employees next to the car, wearing branded T-shirts. The video linked back to the store’s website, and traffic increased, resulting in a significant increase in sales.

6. **Others**—Several other types of social media content exist; however, their usage across different social media channels is limited, and they are mostly used as stand-alone elements. Two such elements are collaborative websites and content discovery sites.

**Collaborative Websites**—These websites are created by groups of people working together to build content on a particular topic. Some might provide the raw content, some might review it, and some might format the content.

**Example of Collaborative Websites:**

- Wikis are collaborative websites where people collaborate on specific topics of interest to them and, once a page on a particular topic is created, they continue to review it in order to make it better over time. The most popular example of a wiki is Wikipedia. Because the most popular wikis are continuously peer reviewed and trusted by a large audience, a company’s mention on such pages can bring a large amount of online traffic to its website. It is essential to have third-party media coverage and links to third-party documentation that support legitimacy of the company in order to create a page on Wikipedia.

**Content Discovery Sites**—These are sites where people share content they find interesting or useful so that others can also access the same content. Because the focus is on content discovery, the homepages of such websites generally contain content shared by others. Users who subscribe to or register on such sites can customize the type of content that appears on their homepage. Companies that create interesting, engaging, and useful content stand a good chance of having their content shared on such sites, which in turn drives additional traffic to their own websites.
E-mail Marketing—This is often used as an alternative to traditional off-line direct mail initiatives and can be a significant contributor to the Digital Marketing Strategy. E-mail campaigns are designed not only to connect with customers and potential customers on news items, product releases, promotions, and announcements, but such campaigns are also often used to drive traffic to the company’s other digital channels. Businesses can communicate with existing customers using internal lists in order to optimize and support relationships with customers. As well, in many cases, businesses purchase digital mail lists for various e-mail campaigns in order to expand their reach in the digital space. When exploring e-mail as a digital marketing tool, businesses should pay considerable attention to the ways that e-mail marketing can be aligned with other digital marketing channels to expand reach, support customer relationships, and support the team in achieving the digital marketing targets.

2.1.3 Outputs

2.1.3.1 Understanding of Available DM Channels*

As an output of this process, the digital marketing team is expected to gather a comprehensive understanding of the various digital marketing channels it can utilize to reach prospective customers. The understanding of the channels should be documented as it will provide valuable insights while creating the digital marketing roadmap for the company. As part of this process, the team identifies target customers in the digital space, their likes and dislikes, their perceptions of the company’s brand, their digital needs related to the brand, and how the brand may fulfill these needs. All of this information, along with an understanding of current trends in the digital marketing space, should be recorded for future reference.

Web analytics is used to evaluate and better understand the value and impact of available digital channels and digital marketing activities. Web analytics involves the collection, measurement, analysis, and reporting of web data for the purposes of understanding and optimizing web usage. Analyzing such data helps a company to assess and improve the effectiveness of its website. This information also helps the digital marketing team better understand consumer behavior and identify the strengths and weakness of the company’s current online offerings. Specific outputs of web analytics might include the number of people visiting a website, the pages that are most popular, that paths that are most popular, where people are coming from, where they exit the site, how long they stay, and other useful facts. Such data can provide the digital marketing team with a comprehensive understanding of the effectiveness of current digital marketing initiatives and enable the team to identify possible new channels and digital marketing opportunities.

Example of Content Discovery Sites:

- Reddit and StumbleUpon are popular content discovery sites.
Examples of Understanding of Available DM Channels:

- Minutes taken during discussions and meetings with senior management and experts while understanding their expectations regarding digital marketing channels provide a good learning resource for the digital marketing team. The lessons and opinions recorded in these meetings provide valuable insights to consider while evaluating various digital marketing channels.

- A business with a strong Internet presence that recognizes a decline in its website traffic should explore possible sources of the decline. Based on the web analytics data, the company may explore several options, including revising the current website in order to keep it fresh and relevant to its target market or making adjustments to site navigation to improve usability. Other DM channels, such as mobile devices or social media might also be explored as potential aids in improving reach and strengthening relationships with existing customers.
2.2 Evaluate DM Channels

This process involves evaluating various digital marketing channels to determine their relevance to and effectiveness for achieving the performance targets for Digital Marketing. Given the wide variety and large number of options available to a company to utilize Digital Marketing it is not an easy process to determine the best options. The SMstudy® Digital Marketing Evaluation and Improvement Tool, described in detail in this process, helps companies overcome this difficulty. It provides a structured way for companies to consider their digital marketing processes and then helps them to quantitatively and qualitatively evaluate digital marketing channels. In addition, it acts as a guide for improving each element of a company’s Digital Marketing Strategy and describes how to measure improvements. The outputs of this process are the selected digital marketing channels with their allocated budgets and targets, the integrated digital marketing channel plan as well as an understanding of potential future scenarios that may impact a product or brand’s performance.

Figure 2-3 shows the inputs, tools, and outputs for the Evaluate DM Channels process

Figure 2-3: Evaluate DM Channels—Inputs, Tools, and Outputs

Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
2.2.1 Inputs

2.2.1.1 Understanding of Available DM Channels*

This is an output of the Understand Available DM Channels process (section 2.1). Having an in-depth understanding of the various digital marketing channels is essential to evaluate how effective each of them may be in promoting a company’s product, brand, or service. A company must understand the limitations and capabilities of each channel as well as the situations in which a channel is most effective or ineffective. For example, social media channels focused on sharing personal updates may not be the best channels to sell products such as industrial machinery.

In addition to examining the relevance of a particular channel for promoting a particular product, the costs associated with using each of the channels needs to be fully understood along with how the channels are used by consumers. A channel may be highly relevant for a product, but it might also be expensive. For example, creating videos that could go viral may be highly relevant for consumer goods targeted at youth, but they may also be very expensive to produce.

When marketers have a thorough understanding of the various channels and the elements of Digital Marketing, they are able to better evaluate whether or not a particular channel should be used on particular occasions.

Example of Understanding of Available DM Channels:

- When a company wants to promote a discount or an important achievement, the use of social media forums is a good option because of the possibility of a viral effect and mass exposure, which may raise awareness of the company. When promoting a discount offer, the use of e-mail marketing is beneficial because of the fast results it can bring. On the other hand, if the company wants to inform customers about an expected stoppage of service (e.g., due to a scheduled routine maintenance), it is usually enough for the company to use e-mail or their website to notify customers, rather than initiating a social media update. Negative comments often spread faster in social media leading to loss of brand value and image. Therefore, understanding different channels is important in order to evaluate their usefulness.

2.2.1.2 Allocated Budget*

This is an output of the Decide Marketing Aspects and Allocate Budget process in the SMstudy® Guide-Book 1, Marketing Strategy (section 5.3), which contains details on the budget allocated to the various marketing Aspects—including Digital Marketing—toward the achievement of their respective targets. The following items should be considered with regards to the budget allocated to Digital Marketing:
- **Amount of Budget Allocated**—This represents the financial resources that Digital Marketing has been allocated by the Marketing Strategy team to use in order to achieve specific Digital Marketing targets. It is usually a specific figure, but sometimes tolerances may be defined to account for anticipated needs and changes. With the allocated budget, the marketing team has considered such things as who the customers are, how they do business and interact with the company, the creativity and costs associated with executing campaigns, and the current consumer perception of the company or brand.

- **Rationale for Budget Allocation**—This involves specifying and documenting the reasons for the budget allocated, which reduces the possibility of irrelevant factors such as personal preferences or politics playing a role in the allocation process. Articulating and documenting the rationale for a particular resource can also save time when new employees join the team or existing team members question certain initiatives.

- **Availability of Allocated Budget**—The manner in which the allocated budget will be made available to the Digital Marketing activities is also defined. Information such as the process for accessing funds, the approvals needed, and the increments in which the budget will be made available during a time period are specified.

The overall budget allocated to Digital Marketing sets an upper limit on how much can be spent for promoting a product, brand, or service through digital media. Therefore, it is an important input for determining which Digital Marketing channels should be used and how much should be spent on each of the selected channels to achieve their respective targets.

**Example of Allocated Budget:**

- When a company has a minimal budget for Digital Marketing, it may decide to focus more on encouraging customers to visit its website through Search Engine Optimization (SEO) rather than spending money on paid advertising. Likewise, it may focus on engaging with customers through different social media platforms, blogs, and forums and growing its contact list for e-mail marketing rather than allocating funds to purchase lists. For more information about website optimization, refer to chapter 4.
2.2.1.3 Industry Norms

The prevailing norms in the industry regarding the use of various digital marketing channels for promoting competing products serve as a good reference for a company when evaluating digital marketing channels. A company can obtain these norms through observing the websites, social media presence, and mobile apps of competitors. It may also access industry norms through industry publications and prior research conducted. Industry norms are especially useful for companies that are entering a new product category or a new market and those that do not have any past data on similar products in their product portfolio to serve as benchmarks for comparison.

Example of Industry Norms:

- With the growing popularity of mobile devices, the majority of Internet searches are initiated using mobile devices, rather than traditional websites. Given the nature and convenience of mobile use and to convert mobile searches to purchases, many restaurants have introduced mobile apps to cater to consumers who often find restaurants or book hotels on-the-go.

2.2.1.4 Positioning Statement*

A positioning statement is the main output of the Create Differentiated Positioning process in the SMstudy® Guide-Book 1, Marketing Strategy (section 3.3). It is generally a short sentence or phrase that captures the essence of the value a company’s product offers to its target customers. The positioning statement should create an image of the product in the customer’s mind highlighting the most important benefits that differentiate the product from competitor products and that offer the most value to customers. A well-defined positioning statement should convey the following:

- the product category in which a company’s product is to be positioned
- the target segment(s) for which the product is positioned
- the specific benefits that a product is offering to the target segment(s) as compared to competitive offerings
- any guarantees or warranties that a company offers to support the product’s quality

The positioning statement is a key factor in determining the relative importance of various digital marketing channels and elements. For example, if a company's product positioning targets individuals who use smartphones extensively, then it may be necessary for the company to focus on developing mobile apps and allocate resources accordingly. Similarly, if a company’s product positioning targets business customers, then the company may use the professional updates sharing element of social media extensively.
2.2.1.5  Product Features

Product Features is an output of the Create Differentiated Positioning process in the SMstudy® Guide-Book 1, Marketing Strategy (section 3.3). The product features include those that are most desired by the target customers. These features are revealed during the creation of perceptual maps and while selecting points of parity and differentiation. Perceptual maps show the combination of key parameters that a product must have to appeal to a specific target segment. Points of parity and differentiation show the features that a product must have to be identified as part of a product category, and those that it must possess to differentiate itself from the competition. These features are the most important considerations when designing the final product.

Considering product features helps in determining the importance and relevance of each of the digital marketing channels in promoting a product. Also, the same product may be promoted in different ways through different social media channels. For example, a company may highlight how to use a product through demonstration videos using the video sharing element of social media, while detailed technical specifications of the same product are provided on the company website. Similarly, a company selling consumer electronics may initiate discussions on its latest product in discussion forums on social media, while the ability to buy the product is offered only on its website.

Examples of Product Features:

- Product features and policies such as money-back guarantees and free shipping are emphasized by companies selling online products as part of their digital marketing activities. Promoting customer friendly policies and popular product features help in viral marketing.
- Online ticketing companies for events, movies, travel, and so on use various digital marketing channels to cater to their customers’ needs. Online sales are also combined with various promotions such as discounts or loyalty points to make the product features attractive to the target market.
2.2.1.6 Pricing Strategy*

The Pricing Strategy is an output of the Determine Pricing Strategy process in the SMstudy® Guide-Book 1, Marketing Strategy (section 4.1). The Pricing Strategy for a product or service is focused on creating a sustainable brand perception and sustainable profitability for the product or brand, while growing and maintaining a healthy market share. The Pricing Strategy should include the following information:

- the recommended pricing for the product or service over a period of time in the various target market segments and the rationale for the price points used for the product
- an indication of how the Pricing Strategy aligns with the product’s positioning statement and the company’s overall Corporate Strategy
- the number of units that must be sold to break even, the projected units the company anticipates it will sell, and the expected profitability of the product
- the strategy to deal with possible changes in the environment, such as changes in the pricing of competing products, currency fluctuations, increases in production costs, and so on
- the strategy for any discounts, special offers, or rebates and the costs associated with these
- the Total Cost of Ownership including cost of warranties and after-purchase servicing

The Pricing Strategy plays a key role in evaluating the effectiveness of digital marketing channels in terms of how they can contribute to achieving the financial targets for a product or brand. Since the Pricing Strategy includes promotional activities and discounts, it is important that digital marketers identify the channels that are best suited to the particular promotions. An advantage of digital channels is that companies can immediately change pricing based on consumer demand, for example, by timing special promotions by season or time of day. The digital space also allows companies to test a variety of pricing models and get quick access to the results to make long-term decisions.

Pricing of a product or brand also influences the amount of budget that should be spent for online advertising. Thus, when budgets are minimal, the digital marketing channels with the highest Return on Investment (ROI) in advertising are selected.
Distribution Strategy*

The Distribution Strategy is an output of the Determine Distribution Strategy process in the SMstudy® Guide-Book 1, Marketing Strategy (section 4.2). The Distribution Strategy for a company’s product or service focuses on ensuring that the product or service is delivered to customers on time, in the best possible manner, and with costs that are aligned with the Pricing Strategy. The Distribution Strategy should contain the following information:

- the specific distribution model to be used—whether it will be intensive, exclusive, or selective
  - Intensive Distribution—occurs when a company uses many delivery channels and distributes a large volume of products
  - Exclusive Distribution—occurs when a company uses only one distribution partner to sell its products in a specific market
  - Selective Distribution—occurs when a company uses a few delivery channels to distribute a moderate volume of products
- the levels of intermediaries that will exist between the company and each of the target markets
- the specific distribution channels that will be used for each of the target market segments
- the stages in the distribution channel where any external channel members will be used
- the entities in the value network that have the most impact on the Distribution Strategy and the measures that need to be taken to minimize any negative impacts and maximize any positive impacts that result from the use of those entities

When evaluating the best way to distribute a product, it is important to match the end-user needs to a Distribution Strategy. If the analysis finds that the buying process is fairly straightforward and the target customer is online, a company can sell direct via a website.
It is possible for a product to be distributed only through online channels and, if that is the case, the entire Distribution Strategy is closely linked to the Digital Marketing Strategy. The importance of various digital marketing channels will depend on the specific Distribution Strategy. If there are strategic alliances with other online partners, then those channels will also need to be considered.

**Examples of Distribution Strategy:**

- Banking institutions integrate multiple online delivery channels including website, mobile, and social media to improve their customers’ experiences and reduce customer acquisition costs as well as operational costs. This online Distribution Strategy helps the business gain a competitive advantage.
- Software companies that provide antivirus software or tools for photograph editing, have enabled the installation of software or software upgrades through direct downloads. Some of these companies have also introduced mobile apps to enhance the user experience. This has helped such companies reduce the costs of creating and shipping CDs.
- A hotel looking to increase its distribution reach may consider partnering with an online travel portal so it can use the portal’s website and the portal’s mobile app to reach more consumers.
- A company may want to engage with external channel members through its website and may in turn create a separate online portal for its members to carry out regular distribution activities.

### 2.2.1.8 Selected Marketing Aspects and Targets*

Selected Marketing Aspects and Targets is an output of the *Decide Marketing Aspects and Allocate Budget* process in the SMstudy® Guide-Book 1, Marketing Strategy (section 5.3). Sales and Marketing Aspects that are considered most relevant and effective for achieving the objectives defined for a product or brand are determined by the marketing team and outlined in the Marketing Strategy. The list will include the respective rationale and targets for each selected Aspect, such as Digital Marketing:

- **Rationale for Selection**—Each of the selected Aspects is supported by proper rationale for its selection. The team should evaluate the target market and understand the dynamics and trends of the audience. In addition, the team should understand the preferences of the audience and the opportunities to reach current and potential customers utilizing various Aspects. Careful consideration of each Aspect ensures that there is sound justification for the use of each particular Aspect to help the marketing team achieve its performance objectives. The rationale for the use of the Digital Marketing Aspect is particularly important for evaluating the Digital Marketing channels.

- **Targets**—After the overall objectives are defined for a product or brand’s Marketing Strategy, targets are assigned to each of the selected Aspects so that they are in alignment with the desired objectives. When considering targets, the company should be looking at a variety of digital areas...
that can be evaluated including overall reach, cost-per-click, number of impressions, number of leads or conversions, and so on.

Since this input contains the overall targets for Digital Marketing (in addition to targets for any other chosen Aspects), it details the cumulative targets that digital marketing channels together need to achieve. Knowledge of other selected Marketing Aspects and any areas of overlap between them and Digital Marketing helps the digital marketing team to effectively coordinate with other Aspects. For example, if Corporate Sales is a selected Aspect that depends on Digital Marketing to generate corporate leads through the company’s website, then the digital marketing team can design the website accordingly and put in place metrics to track conversions and other metrics for corporate leads.

**Examples of Selected Marketing Aspects and Targets:**

- If a company selects Corporate Sales and Digital Marketing as the Aspects to help the company achieve a target of $1 million in sales, then it also needs to set specific sales targets for both Corporate Sales and Digital Marketing and account for any overlap between them. For example, if the company has a corporate inquiry form on its website through which Corporate Sales generates ten percent of its revenues, then the company needs to account for this overlap of revenues between Digital Marketing and Corporate Sales. Neglecting to define specific targets for the selected Aspects and any overlap may result in confusion and lack of focus.

- Companies with B2B customers use social media channels such as blogs, discussion forums, and personal and professional updates to generate interest and increase participation in their offline events and gatherings. Effective digital marketing activities help to generate leads for corporate sales.

### 2.2.2 Tools

#### 2.2.2.1 SMstudy® DM Evaluation and Improvement Tool*

The SMstudy® Digital Marketing Evaluation and Improvement Tool is used to evaluate the suitability and effectiveness of various digital marketing channels for achieving the overall performance targets as defined in the Marketing Strategy for a product or brand. The tool is used for identifying conversion hierarchies for the different channels, estimating Return on Investment (ROI) for each channel, and then allocating the Digital Marketing budget among those channels based on ROI and the number of projected customers from each channel. The tool further helps in identifying improvement opportunities and defines metrics to measure improvement activities. Each of these steps is explained in detail below.
1. **Identify Conversion Hierarchies**

   This step starts with defining the primary metric on which a product’s performance in Digital Marketing is to be measured. Examples of primary metrics are:
   
   - leads (inquiries)
   - sales
   - new subscriptions
   - catalog downloads
   - number of clicks and/or impressions

   It is important to assign a financial benefit value to each primary metric to enable ROI calculations. For sales, the financial benefit is straightforward—revenues. For other metrics, a company must estimate the financial benefit. For example, if the primary metric is new subscriptions, and it is estimated that only one in twenty subscriptions leads to a sale, and the average sale value is $200, then the financial benefit of one subscription is calculated as follows:

   \[
   \frac{1}{20} \times 200 = 10
   \]

   It is also important that estimations used for arriving at the financial benefit for metrics (for example, the estimates for the conversion rate of subscriptions in the previous example) are as accurate as possible. Past data on similar products can provide reliable estimates or, if such data is not available, then using industry norms or expert insights can prove valuable in arriving at estimates.

   After identifying the primary metric, the company must work backward to identify key conversion stages for each digital marketing channel. An illustration is shown in Figure 2-4.
In Figure 2-4, the primary metric is sales and there are three digital marketing channels that can be used to achieve targets related to sales—website, mobile app, and social media. For each channel, the figure shows the steps in converting interested prospects. A company needs to ensure that each step in the conversion hierarchy is oriented toward moving as many customers as possible from one step to the next. This movement ensures that the company maximizes the number of customers who eventually purchase the product or service.

There may be overlaps in conversion hierarchies across the various channels. For example, customers may receive product updates through social media that have links to the product website. They then visit the website and follow the same conversion hierarchy as that of the website channel. Or customers may see a promotional message on the product’s web page asking them to download the mobile app and purchase the product using the app. An increasing number of online retail websites promote such behavior. In both of these cases, conversions happen as a result of interactions between channels. Therefore, it is very important for a company to have consistent information and promotional messages across all channels.

Also, note that it is not essential that all of the steps occur online. For example, customers may call a company after visiting the website if they have any questions. Payment for a product may also be made offline through different modes such as paying at a physical outlet or through bank transfer.
2. **Evaluate Return on Investment (ROI) for Each Channel**

This step involves deciding how much return can be expected from each channel and the corresponding investment that needs to be made. Some channels involve a significant investment of resources to provide a proportionately larger number of conversions. Other channels may involve minimal resources to provide a significant amount of conversions. Generally, both types need to be explored. The objective for the digital marketing team should be to achieve its target with minimal resources.

To evaluate the ROI for each channel, the team must clearly articulate how conversions for a channel vary with investment. The data for this schedule can be garnered through experimentation, through data for similar products, or through industry norms. Once the schedule for each of the channels is charted, then the digital marketing team can decide which of the channels should be used for promotions and the amount that should be spent on each. An example is shown in Table 2-1, and a related graph is shown in Figure 2-5.

Table 2-1 shows the change in conversions with a change in investment for channel A.

<table>
<thead>
<tr>
<th>Investment</th>
<th>Conversions</th>
<th>Ratio: Conversions/Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000</td>
<td>50</td>
<td>0.50%</td>
</tr>
<tr>
<td>$20,000</td>
<td>100</td>
<td>0.50%</td>
</tr>
<tr>
<td>$30,000</td>
<td>130</td>
<td>0.43%</td>
</tr>
<tr>
<td>$40,000</td>
<td>150</td>
<td>0.38%</td>
</tr>
<tr>
<td>$50,000</td>
<td>155</td>
<td>0.31%</td>
</tr>
</tbody>
</table>

Table 2-1: ROI Evaluation for Channel A
Figure 2-5 shows the change in ratio of conversions to investment with a change in investment for channel A.

From the graph in Figure 2-5, it is clear that conversions do not increase at the same rate as the investment after an investment level of $30,000. It may therefore not make sense to continue investing, as the corresponding incremental conversions are very low.

The schedules for two other channels are shown in Table 2-2 and Table 2-3.

<table>
<thead>
<tr>
<th>Investment</th>
<th>Conversions</th>
<th>Ratio: Conversions/Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000</td>
<td>15</td>
<td>0.75%</td>
</tr>
<tr>
<td>$4,000</td>
<td>30</td>
<td>0.75%</td>
</tr>
<tr>
<td>$6,000</td>
<td>45</td>
<td>0.75%</td>
</tr>
<tr>
<td>$8,000</td>
<td>55</td>
<td>0.69%</td>
</tr>
<tr>
<td>$10,000</td>
<td>60</td>
<td>0.60%</td>
</tr>
</tbody>
</table>

Table 2-2: ROI Evaluation for Channel B
Table 2-3: ROI Evaluation for Channel C

If a company's target is to achieve 200 conversions, then it is clear that one channel alone will not be sufficient to achieve this target and that other channels will be required. There are multiple combinations of investments in the three channels through which a company can achieve the desired 200 conversions. The following are two of the best combinations.

**Combination 1**
- Channel A: $20,000 investment, 100 conversions
- Channel B: $6000 investment, 45 conversions
- Channel C: $5000 investment, 53 conversions

Total investment is $31,000; total conversions are 198.

**Combination 2**
- Channel A: $20,000 investment, 100 conversions
- Channel B: $8000 investment, 55 conversions
- Channel C: $4000 investment, 44 conversions

Total investment is $32,000; total conversions are 199.

Given that there is not much difference between the two options, a company may need to look at other factors to make the final decision. This is where having a meeting or discussion can be useful. For example, the team may decide on the combination of channels with which the company has more experience and confidence. The end objective of this step is to identify which channels should be used, the target each channel needs to achieve, and the corresponding investment needed for each channel.
3. Identify Limitations and How to Improve Each Stage of the Conversion Hierarchy

Ideally, a company would want every customer in stage 1 of the conversion hierarchy to purchase its product. However, the reality in most cases is that some customers may not continue to the last step to purchase a product. The company must understand these and other limitations while deciding how to improve conversions. Other examples of limitations that a company may have to keep in mind are:

- The company may not have the human resource capacity to manage incoming calls from customers. In such a situation, the company may need to utilize e-mail communication or record voicemails and then call customers back.
- The company’s product may not be suitable for ordering online. This is especially true for products that need to be customized on-site. In such cases, a company needs to ensure that its offline channels are capable of managing the volume of sales inquiries that come through its online channels.

Once the company understands its limitations, it then needs to determine how to improve each step of the conversion hierarchy to convert more customers. There are two main activities involved in this process:

- **Increase the number of customers in stage 1 of the conversion hierarchy**—This is the starting point of the hierarchy. The higher the number of customers in this step, the greater the number of final conversions. Increasing this number can be achieved primarily through two methods:
  
  o Paid activities, which include advertising on various digital marketing channels such as search engines, other websites, other mobile apps, social media, and paid news releases
  o Non-paid activities, which include increasing a company’s website rank on search engines through search engine optimization (SEO), increasing a company’s mobile app rank on searches within mobile app stores, and creating interesting and useful content that is shared willingly by the target market and featured in news outlets

- **Reduce the number of customers dropping out of subsequent steps**—This increases the conversion rate and can be achieved by analyzing the flow of website visitors. There are a number of analytical tools that can help a company examine its website traffic in multiple ways and answer a number of questions such as the following:
  
  o Which pages have the highest drops?
  o Are customers able to easily access the most relevant pages (e.g., pages on testimonials and product features)?
  o Are there any technical errors on the website that are resulting in customer drops?
  o Are visitors spending adequate time on the website?
Do key pages contain clear calls to action?

The conversion hierarchy can also be visualized as a “leaky funnel” that has a number of holes at different levels. The Leaky Funnel diagram is shown in Figure 2-6.

The idea behind the funnel is that many prospective customers enter into the sales cycle at the top but some opt out along the way. Digital media reaches out broadly and acquires potential customers using a variety of online tactics. Marketers then capture information about those potential customers and begin to target them more effectively with marketing messages and other digital marketing initiatives, and many become qualified prospects or leads. Eventually some of the qualified leads buy the product, thus becoming customers. However, the leaky funnel shows that some prospective customers naturally opt out at certain points in the sales cycle. In the leaky funnel analogy, the water being poured from the top represents prospective customers and the water exiting from the bottom represents converted customers. Water leaking out from holes at different levels represents prospective customers dropping out at each step of the conversion hierarchy. A company can label each of the holes with a factor that is resulting in customer drops and then work on each of those factors to “plug” the holes in the funnel.

A company also needs to analyze its competitors’ websites to see if they have some features, benefits, or other elements which improve the customer experience and which are missing from the company’s
website. It can then take action to ensure that the customer experience on its website is better than that of its competitors.

4. **Set Up Metrics and Targets to Measure Improvements in Each Step**

Once improvement opportunities are identified, a company should be able to measure the effectiveness of actions undertaken to implement those improvements. For this, it is important to set up metrics and targets for each action. It is only when the actual results are compared against the targets that the digital marketing team will know how effective each particular action is. Some examples of how metrics and targets can be set in different situations are the following:

- If the digital marketing team observes that visitors are exiting from a particular web page more than other similar pages, it should ideally look at improving that web page. A key metric for measuring the effectiveness of changes aimed at improving the web page would be the exit rate. The exit rate for a page is defined as the ratio of the number of visitors who exited a website from a page to the number of visitors who visited that page, expressed as a percentage. The target exit rate should be the exit rate of similar pages.

- If the digital marketing team observes that a particular online advertisement is resulting in fewer conversions than other online advertisements, and they have determined that the reason behind the gap is a mismatch between the advertisement and the page to which it links, then the company should either modify the ad or the web page. A key metric for measuring the effectiveness of these modifications would be the bounce rate for the page from that advertisement.

Bounce rate is defined as the percentage of visitors who leave the first page of a website they encounter without clicking to other pages on the website. A lower bounce rate from a modified advertisement would indicate that customers were leaving the page less often, possibly because they were finding the page relevant to the advertisement. The target bounce rate should be the bounce rate of pages linked to similar advertisements that the company has used successfully.

2.2.2.2 **Meetings and Discussions**

Digital marketing channels need to be evaluated not just for ROI but also for other factors such as available resources, company experience in using certain channels, knowledge of how competitors benefit from different channels, and future changes expected in each channel. These factors are best discussed at regular intervals and their impact evaluated through meetings and discussions. Meetings and discussions are also important for assessing the impact of the Positioning Statement, Product Features, Pricing Strategy, Distribution Strategy, and other selected Marketing Aspects on the evaluation of digital marketing channels. Furthermore, discussions are sometimes necessary to determine the ROI for different channels because the digital marketing team may receive conflicting data from different sources regarding the investment required for a certain level of conversions.
2.2.2.3 External Expertise

Digital Marketing as a field is extremely dynamic, and the landscape may change in a matter of months. A company may find it challenging to keep up with all the developments and potential changes in the various digital marketing channels and their potential impact on the company’s products or services. Therefore, the use of external consultants who are specialists in Digital Marketing to evaluate digital marketing channels from the company’s point of view can be highly valuable. External experts can contribute by giving advice on best practices and the latest developments in their specialist areas of Digital Marketing. Their expertise, opinions, and smart insights can be beneficial, especially in driving awareness, leads, and sales (e.g., SEO, PPC, social media, e-mail marketing, site design, and analytics).

2.2.2.4 Evaluation of DM Channel Interactions*

While the company’s website, mobile channel, and social media presence are all contributors to a successful Digital Marketing Strategy, these three channels interact, overlap, and must align with one another. Evaluating the interaction of digital marketing channels involves identifying ways in which the various channels can complement one another in order to work cohesively toward achieving the overall digital marketing targets. An icon link to a company’s social media page, for example, links customers on the website with the social media channel. It is important for the marketing and website development teams to ensure that in the process of evaluating the website, mobile channel, and social media channels, they are also recognizing the benefits that can be gained through the interaction of these channels.

2.2.3 Outputs

2.2.3.1 Selected DM Channels*

Channels that are evaluated as most effective for achieving the overall targets for Digital Marketing are clearly identified. The following needs to be outlined for each of the determined channels:

1. **Targets**—The SMstudy® Digital Marketing Evaluation and Improvement Tool helps in determining the targets that each channel should strive to achieve. The sum of the specific targets should contribute to the overall digital marketing targets as defined in the Marketing Strategy. If there are any overlaps among the digital marketing channels, then these should be clearly identified and accounted for.

2. **Budget**—The SMstudy® Digital Marketing Evaluation and Improvement Tool helps in determining the projected investment in each channel based on its ROI and contribution to the overall targets for Digital Marketing.
3. **Usage**—This should cover how each channel will be used to promote the product, service, or brand. It need not be detailed but should include how the allocated budget will be used and how the company will use the channel to reach customers. For example, for a social media channel, the usage information should indicate whether the budget will be spent on social media ads or on creating high-quality, shareable content that can spread organically.

### 2.2.3.2 Integrated DM Channel Plan*

It is important to understand that Digital Marketing is often used effectively in conjunction with other forms of marketing such as direct mail campaigns and mass media advertising. As well, when developing a Digital Marketing Strategy, multiple tactics should be considered and most often a combination of web, mobile, social, and other similar digital channels will integrate and work together to form a complete campaign that drives sales conversions more effectively.

### 2.2.3.3 Anticipated Future Scenarios*

Because changes in digital marketing channels occur at a rapid pace, it is important for a company to be prepared for the most likely future scenarios in the digital marketing landscape. This output should contain details of the following for each channel:

1. **Most Likely Changes**—These are changes that are most likely to take place in the future. The information regarding anticipated changes may be based on expert inputs from external consultants and information exchanged during meetings and discussions. The digital marketing team should also analyze actual changes and trends from the past to help predict changes that may occur in the future.

2. **Impact of Changes**—The potential impact of anticipated changes on various areas of the business, such as expected revenue, resource needs, operations, and the company’s products, must also be determined. The impact of the likely changes may be positive or negative.

3. **Actions to Be Taken**—Actions that will be taken to mitigate or avoid the impact of harmful changes and exploit positive changes should be described.
3. PLAN AND DEVELOP DM CHANNELS

In the previous chapter, the initial steps required to create an online presence were discussed. These include examining the digital marketing targets as established in the Marketing Strategy and understanding the various marketing and sales channels available online that can enable the digital marketing team to meet these targets. Once these steps are completed, the organization must plan the strategy for each of the various digital marketing channels.

Throughout this chapter, we will look at how organizations go about building their presence on digital channels—namely websites, mobile apps and sites, and social media sites. Organizations develop their digital marketing channels based on market research, expert feedback, and case studies that provide insights into the successes and failures of competitors in addressing the same target segments. Because the online marketplace is evolving and new channels are developing with greater frequency, businesses must constantly stay in touch with their audiences’ needs and ensure that they adapt to stay relevant to these needs. Another factor organizations must keep in mind when interacting with consumers through digital media is the importance of maintaining consistent brand messaging and positioning across all channels and through various marketing activities.

Figure 3-1 provides an overview of the three processes in this chapter. These are as follows:

3.1 Plan and Develop Website Channel—In this process, a website design is planned based on exhaustive research, and the organization’s website, including the brand’s web pages, are created. As part of this process, the metrics that will provide an indication of the performance of the website are also identified and, once established, are constantly monitored to gauge the success of the website.

3.2 Plan and Develop Mobile Channel—In this process, the factors influencing the success or failure of mobile apps and mobile sites in helping the organization reach its corporate goals are analyzed. Best practices are identified for the design of the organization’s mobile apps and sites, and the development is carried out. Metrics are also identified to gauge the performance of the apps and sites.

3.3 Plan and Develop Social Media Channel—In this process, the organization identifies the relevant social media platforms for its target segments and plans its communication strategies with potential customers using these platforms. The Content Creation and Distribution Plan is created and metrics are identified to gauge the success of the social media channel.
### 3.1 Plan and Develop Website Channel

**INPUTS**
1. Integrated DM Channel Plan
2. Website Metrics, Targets, and Budgets*
3. Selected Target Segments*
4. Allocated Budget*
5. Details of Competitive Products
6. Marketing Research Reports
7. Positioning Statement*
8. Existing Branding
9. Outputs of Marketing Strategy

**TOOLS**
1. Branding and Advertising
2. Marketing Research
3. Website Design Skills*
4. Emerging Technology Assessment
5. SEO Skills*
6. Competitor Website Analysis
7. Website Architecture Design*
8. Website Creation Tools
9. Mock-ups
10. Meetings and Discussions*
11. Expert Insights

**OUTPUTS**
1. Created Website*
2. Refined Metrics and Targets for Website

### 3.2 Plan and Develop Mobile Channel

**INPUTS**
1. Integrated DM Channel Plan
2. Mobile Metrics, Targets, and Budgets*
3. Selected Target Segments*
4. Allocated Budget*
5. Details of Competitive Products
6. Marketing Research Reports
7. Positioning Statement*
8. Existing Branding
9. Outputs of Marketing Strategy

**TOOLS**
1. Branding and Advertising
2. Competitor Mobile Site/App Analysis
3. Marketing Research
4. User Personas and Use Cases*
5. Mobile Website Development*
6. Mobile App Development Skills*
7. Emerging Technology Assessment
8. Mobile App Development Methods*
9. Meetings and Discussions*
10. Expert Insights

**OUTPUTS**
1. Created Mobile Site*
2. Created Mobile App*
3. Refined Metrics and Targets for Mobile Website
4. Refined Metrics and Targets for Mobile App

### 3.3 Plan and Develop Social Media Channel

**INPUTS**
1. Integrated DM Channel Plan
2. Social Media Metrics, Targets, and Budgets*
3. Selected Target Segments*
4. Allocated Budget*
5. Details of Competitive Products
6. Marketing Research Reports
7. Positioning Statement*
8. Existing Branding
9. Outputs of Marketing Strategy

**TOOLS**
1. Branding and Advertising
2. Meetings and Discussions*
3. Competitor Social Media Activity Analysis
4. Marketing Research
5. Emerging Technology Assessment
6. User Personas and Use Cases*
7. Social Media Elements Selection*
8. Expert Insights

**OUTPUTS**
1. Content Creation and Distribution Plan*
2. Created Social Media Presence*
3. Refined Metrics and Targets for Social Media Elements

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Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
3.1 Plan and Develop Website Channel

The initial step in developing an online presence for a business is to set up a website. The company website is the online face of the company and reflects the company’s brand messaging and positioning; it is used as a means of informing the target segments about the company, new updates, and offers that the company is running. For publicly traded companies, the website is a medium to provide investors with information on the financial performance of the company and other relevant data.

As part of the discussion of the Plan and Develop Website Channel process, best practices in website creation are explored and a competitor analysis is done to identify where the competition is targeting the company’s intended audience and the messaging used by competitors on their websites. Through this process, the basics of website design and architecture, as well as search engine optimization (SEO), are reviewed to help the digital marketing team make an informed decision on appropriate and achievable metrics, which are then monitored to analyze website performance.

Figure 3-2 shows the inputs, tools, and outputs for the Plan and Develop Website Channel process.
3.1.1 Inputs

3.1.1.1 Integrated DM Channel Plan

While the processes of planning and developing a website, planning and developing a mobile channel, and establishing a social media presence are all individual contributors to a successful Digital Marketing Strategy, these three channels interact, overlap, and must align with one another. The Integrated Digital Marketing (DM) Channel Plan provides guidance on the level of cross-channel interaction. It is important for the marketing and website development teams to ensure that throughout the process of developing the website plan, those areas of the mobile and social media channel plans that work in concert with the website plan are considered and continuously revisited to ensure established digital marketing targets are being achieved.

Examples of Integrated DM Channel Plan:

- A company that plans to use Facebook to interact with customers will display an icon link to its Facebook page on its website.
- A baby food company, which establishes a website showcasing its product catalog and providing information on the latest trends in baby food nutrition, may want to invite consumers to contribute to periodic discussions or share videos and photos on nutrition, feeding habits, and other experiential topics via their mobile devices and social media in order to build a community of users and an awareness of the company’s brand.

3.1.1.2 Website Metrics, Targets, and Budgets*

Metrics, targets, and budgets for developing and monitoring the effectiveness of the website channel are included in the Selected DM Channels output in process 2.2—Evaluate DM Channels. In order to ensure that website planning and development is carried out effectively, the digital marketing team must understand the business objectives and targets with respect to the online business. The digital marketing team, along with senior management, establishes the desired metrics and targets; these metrics and targets then serve as an input to how the website should be designed and developed. As previously mentioned, companies may have varied needs for creating an online presence, and the digital marketing metrics and targets are a reflection of all these needs. Another constraint that needs consideration while developing the website is the budget allocation for these activities. The website should be able to meet the desired business objectives and targets within the allocated budget.
3.1.1.3 Selected Target Segments*

Selected Target Segments is an output of the Select Target Segments process in the SMstudy® Guide-Book 1, Marketing Strategy (section 3.2). Based on the established objectives for the product or brand, the marketing team identifies the target segments for the company’s online presence. These target segments may at times be the same as the target segments for the organization’s offline marketing efforts. When determining the target segments for the Digital Marketing Strategy, organizations must identify those consumers most likely to visit the website and build a strategy that addresses the needs of those particular consumers. As part of the website development process, a wireframe, which is derived from user stories, is established. The user stories are based on the identified target segments for the website. It is therefore important to understand the characteristics of the selected target segments before commencing development of the website. Without identifying the target segments, the Digital Marketing Strategy will lack focus and may not be effective in addressing the optimal audience and, therefore, may fail to support the Marketing Strategy for the product or brand, and in turn the corporate objectives.

3.1.1.4 Allocated Budget*

In all businesses, the marketing team is given a budget that must be allocated among specific Aspects and in turn their related marketing activities, such as television advertising, newspaper advertising, sponsorships, online advertising, and events. The marketing team determines the effectiveness of these advertising channels in enabling the team to reach its target audience and the available budget is divided among these channels accordingly. In the case of website design, the available budget is a constraint that dictates the amount of resources that can be assigned for the development of the website. The digital marketing team, along with the subject matter experts, creates the website design in a manner that appeals to the target audience and provides the necessary details to ensure that marketing objectives for the product or brand are
being met, while also ensuring that the cost incurred in the design and development of the website is within the allocated budget.

### 3.1.1.5 Details of Competitive Products

Details of Competitive Products are an output of the Identify Competition process in the SMstudy® Guide-Book 1, Marketing Strategy (section 3.1). It is useful, when developing a Digital Marketing Strategy, to consider the approach taken by companies with competing products. To obtain this information, the marketing team identifies competitive products that have an effective online presence and compiles information on the successes and failures of competitor companies in executing their Digital Marketing Strategies. Since competitors are targeting a similar audience, an understanding of the approaches that work and those that do not provides the organization with insights into how to design a website in accordance with the likes and dislikes of the target audience.

### 3.1.1.6 Marketing Research Reports

While the details of competitive products help the digital marketing team analyze the best practices in website design for the target segments, the team also procures marketing research reports that describe the online behavior of the target segments. Businesses must understand where their target audiences spend most of their time online, so they can effectively target these audiences with designs that appeal to them.

For example, if a company is in the business of providing a platform for online gaming and notices that its target audience spends much of their time on informal social sites, it can increase its ad spending and create groups or communities on such sites to connect with this target audience thus driving traffic to its website. The company may also decide to include social plugins on the company website to ensure that its audience stays in touch, thereby increasing the time individuals stay connected to the brand and consume the brand’s content. Research reports not only help companies plan the optimal website design for their audiences, they also provide a critical input to the Digital Marketing Strategy for the organization, as they help organizations determine where they should be spending their online marketing budgets and efforts.

#### Example of Marketing Research Reports:

- The digital marketing team at a pinball gaming company, which focuses on refurbishing stand-up pinball machines, enlisted the help of a web research company to provide relevant statistics on its target market. It found that a surprising number of people searching for vintage style pinball games also searched for vintage comics and vinyl albums. This knowledge of the target market assisted them in deciding to contribute articles about superhero and rock star themed pinball machines to comic and music discussion forums. These articles helped drive the target market to the pinball company’s site.
3.1.1.7 Positioning Statement*

The positioning statement is the main output of the *Create Differentiated Positioning* process in the *SMstudy® Guide-Book 1, Marketing Strategy* (section 3.3). It is generally a short sentence or phrase that captures the essence of the value proposition that a company’s product offers to its target customers. It is intended to create an image of the product in the customer’s mind that highlights the most important benefits differentiating the product from competing products and offers the most value to the customers in the chosen target segments. A well-defined positioning statement contains the following:

- the product category in which a company’s product should be positioned
- the target segment(s) for which the product is positioned
- the specific benefits that the product is offering to the target segment(s) as compared to competitive offerings
- any guarantees or warranties that the company offers to customers to validate the product’s quality

Since the company website should reflect the offline brand positioning and brand messaging of the business, differentiators, guarantees, and warranties mentioned in the positioning statement should also be reflected on the company’s website.

**Examples of Positioning Statement:**

- As part of its positioning, a popular American taxi company that provides on-demand rides promises to offer reliability, customer support, style, comfort, and no frustration. The company’s website home page mentions the key features such as one-tap ride, reliable pickup, simple pricing, cashless payment, convenience, and attention to feedback. The website clearly lists and delineates these characteristics of the positioning offered by the company.

- An electronics company promises a one-year warranty on its LED televisions when customers make purchases at retail locations. To ensure that all the elements of the positioning statement are reflected in the website offerings as well, this warranty is also offered to customers purchasing products through the company’s website.

3.1.1.8 Existing Branding

Branding is a key component of the overall Corporate Strategy of the company and of all marketing activities associated with the business. Branding is discussed in detail in the *SMstudy® Guide-Book 5, Branding and Advertising*. A company’s brand represents—in a logo or mark, a message, a service, a product, an ad, or an event—what customers can expect from the company. Brand touches all facets of the business, and it is important to maintain consistency of brand across the company’s products and services and throughout all marketing channels. The website development team must therefore ensure that the website effectively supports and is aligned with the overall brand and sub-brands of the company and aligns well with other
marketing efforts that support the brand. Without the consideration of existing branding, the website may confuse consumers or dilute or weaken the brand.

3.1.1.9 Outputs of Marketing Strategy

The processes associated with establishing the Marketing Strategy for a product or brand are described in the SMstudy® Guide-Book 1, Marketing Strategy. Among the outputs of Marketing Strategy are the marketing objectives and the selected Aspects of Sales and Marketing that will help the company successfully reach its corporate goals. Digital Marketing forms just one of the several Aspects that the company can use to achieve its marketing objectives as defined in the Marketing Strategy. The Digital Marketing Strategy, therefore, must align with and support all other Aspects in the Marketing Strategy. The company website provides one channel that the business can utilize to contribute to achieving the marketing objectives for a product or brand and in turn the corporate goals. Establishing a Marketing Strategy also requires the evaluation and selection of target market segments, a clear understanding of the competitive landscape, a better understanding of the company's product and product features, and the product's positioning relative to that of its competitors. These elements of Marketing Strategy all inform decisions related to the planning and development of the company's website. Without considering the outputs of Marketing Strategy, the website development team may make false assumptions and may not focus its resources, budget, and time on the optimal target audiences, activities, and messaging to support the marketing objectives.

3.1.2 Tools

3.1.2.1 Branding and Advertising

Branding and advertising are discussed in detail in the SMstudy® Guide-Book 5, Branding and Advertising. A strong existing brand and effective offline advertising can provide essential support to the website, and when aligned, offline and digital activities should work together to build better awareness of the brand, generate revenue, provide customers with essential updates and information, and ultimately help the business achieve its marketing objectives.

Businesses typically provide a website address in all marketing materials in order to drive traffic to the company's website. The company website offers a dynamic medium where businesses can reinforce the brand, support offline marketing activities, and keep customers up-to-date. It is also a means for customers to quickly and conveniently gain access to content, products, or services.

The website development team should ensure that all activities associated with the website are aligned with offline activities to ensure optimal design, functionality, and consistency with the brand and sub-brands of the business.
3.1.2.2 Marketing Research

Marketers define their audience by segments. Marketing research helps marketers gain an understanding of these segments and identify the best way to appeal to them. Thus, understanding the target markets as types or clusters of potential customers based on various criteria, including interests, needs, age, roles, and geography, among others is important. It helps marketers plan how to target specific customer segments and how to build campaigns that will capture their attention with messages that will appeal to them through media in which they are most apt to respond. The company uses this data to build the optimal customer experience using digital media.

Companies must ensure that they deliver the right message to the right audience. Combining and analyzing data from the Internet, competitor data, and the business’s online customer flow (if available) helps provide the right foundation for companies to understand consumers’ needs and how the business can address those needs through digital media.

3.1.2.3 Website Design Skills*

Although businesses will have a defined and skilled team that is responsible for the technical aspects of designing the website, it is important for the digital marketing team to possess a basic understanding of the various website formats and their advantages or limitations. This knowledge helps the team make an informed choice on the kind of information that it would like to include on the website and whether the existing web design is capable of displaying the required information in the manner intended by the team.

**Examples of Website Design Skills:**

- A general understanding of the most frequently used web languages is recommended for marketing teams.

**XHTML / HTML**

Extensible Hypertext Markup Language (XHTML) is the basic language of the web. Developers can use this technology to build simple, text-based websites. A more advanced version of XHTML is known as Dynamic HTML. DHTML is used to create HTML pages that have a dynamic component at the user end. DHTML combines HTML with a scripting language, such as JavaScript along with a presentation definition language, such as CSS and the DOM (see below).

DHTML allows scripting languages to change variables in a web page's definition language, thus affecting the appearance and function of the HTML page, after the page has been loaded at the user end, and during the viewing process. The dynamic nature of DHTML refers to the way it functions while a page is viewed, changing an otherwise static page into one that provides greater interactivity and is often more appealing to users.
3.1.2.4 Emerging Technology Assessment

Website development is a dynamic field that is constantly changing with the addition of new technologies, tools, and ways of communicating. The digital marketing team needs to be aware of the latest developments in web design capabilities. The tools and features available to web developers are constantly being improved upon. Knowing the emerging methods for content delivery can greatly assist in creating engaging and successful websites.
3.1.2.5 SEO Skills*

Search Engine Optimization (SEO) involves a number of activities and initiatives that businesses can implement to achieve high search engine rankings. Such activities address factors that can impact a website’s or web page’s search engine rankings for specific search terms, resulting in a high placement in a search engine’s organic (unpaid) search results. It is important to note that the position at which the company appears in search results is a result of both SEO activities and paid advertising.

Consumer perception is impacted by the position at which a company appears in the result of a search. A high rank in search results helps build trust in the minds of consumers as they generally associate a higher ranked website with being a strong, more established brand with greater reliability. This perception in turn leads to greater conversions on the company’s website and supports the fulfillment of the objectives for the product or brand. Most consumers will not click beyond the search results on the first or second page and the potential diminishes the further into the list that the company appears. A website that is search engine optimized will appear higher in search results resulting in a greater number of visits to the site.

Search Engine Optimization is an Internet marketing tactic that takes into consideration how search engines function and “rank” websites, how people search for keywords, the keywords that are most frequently searched, and the type of searches (text search, image search, video search) that consumers are likely to use to learn more about a product, service, or business as a whole. Keywords are typically defined as either short tail (also known as head keywords) (e.g., women’s clothing) or long tail (e.g., best store to buy women’s clothing). Short tail, or head, keywords usually consist of two words, while long tail keywords usually consist of three to five words. While short tail keywords are generally more popular, long tail keywords are more targeted to specific searches and come with less competition. Less competition is particularly important when developing a pay-per-click campaign as less competition generally means the company does not have to bid as much money for a particular keyword or phrase.

Typically when a business adds a page to its site, the various search engines send a spider, or web crawler, that stores the page on the search engine’s server and then indexes the page (i.e., gathers relevant information on the contents of the web page and the links that it contains) for fast and accurate information retrieval when an online consumer registers a search query on the engine.

Optimizing a website for online searches involves editing the site content and tagging or coding pages to increase the relevance of the website content relative to specific keywords that are key to the business. The objective is to ensure that the site appears in search engine results for the keywords that are most relevant to the business. SEO also involves removing any barriers that would prevent search engines from indexing the site, as well as promoting the site to increase the number of backlinks, or inbound links.

SEO uses the following practices:

1. On-Page Search Engine Optimization

Web developers should construct each page of the website to be appealing to both search engines and consumers. Website content should accurately reflect the core components of the business, using relevant keywords in the URL, titles, heading and image tags, and other content of the website. Using
relevant keywords across all elements of the site will contribute to search engine rankings thus resulting in an optimal position in search results.

At the same time, companies must ensure that they do not include too many marginally relevant keywords (a practice known as keyword stuffing) as this practice may in fact harm the website’s rank, and such pages may be excluded from search results by search engine crawlers.

2. Mobile SEO

As previously mentioned, mobile devices and tablets are being used increasingly by consumers to access the Internet. Therefore, it is important for organizations to ensure that their websites are also optimized for mobile devices. Also, since many consumers use voice search features, websites and keywords must also be optimized to account for this changing trend among mobile users.

When companies optimize their websites for mobile devices, they should ensure that the website is responsive to mobile devices and tablets; maintain a separate mobile site since mobile users prefer websites in which content can be consumed on a smaller screen and on-the-go; provide only relevant content; and maintain a light mobile site to ensure faster loading of the mobile site.

3. Building Site Links

Building relevant links to the website is a key contributor to optimizing the site for organic searches. Links are an important factor for major search engine algorithms as they ensure that the current site contains relevant content that may be useful for a consumer conducting a keyword search.

Some best practices to keep in mind when working on an inbound link-building strategy include the following:

- Focus on the quality of the links rather than the quantity of links. High-quality links, which are links that are considered highly relevant, often used, and often referred by other sites, are given a greater weightage by search engines and help improve the organic rank of the site.
- Focus on creating content that provides value to the target audience and inspires the audience to share the content on other blogs or websites. High-quality content builds brand loyalty, and is, in the long run, much more important than SEO and referred links.
3.1.2.6 Competitor Website Analysis

Analyzing competitors’ websites can serve as a useful means of assessing a company’s own digital marketing channel efforts. For companies that are launching their online channels, it is important to understand what works and what does not in their industry when it comes to setting up a company website. Since competitors are selling similar products and services to the same target audience, an important part of the planning process before creating a website design is to analyze competitors’ websites.

The digital marketing team can use search engines and keywords to identify significant online competitors to examine. The top-ranking companies on search engines for relevant keywords are the company’s online competitors. After identifying the competitors, the digital marketing team can make use of publicly available software to identify additional keywords used by the competing businesses.

The following factors need to be considered when analyzing competitor websites:

1. **Keyword Performance on Search Engines**
   Companies that depend on online channels to sell their products and services make use of search engines to advertise while developing the organic ranking of their websites using relevant keywords. The digital marketing team should identify the ranking of competitors who are appearing in listings, whether paid or organic, for the keywords that are essential for the business. Generally, search engines consider a number of factors when calculating the ranking of online ads. Besides keyword bid amount, these search engines also consider the relevance of the ad, the relevance of the targeted page, and the conversion rate.

2. **Link Popularity**
   A site with more links from external websites will typically obtain a higher rank on search engines than a site with few links. A newly launched website, for example, will obtain a lower rank than an established competitor’s website and, in order to enhance a website’s organic rankings, the digital marketing team should work on increasing the number and quality of links to and from the website. The greater the number of quality links on a site, the higher it will rank in search engine rankings. To analyze the links of

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**Examples of SEO Skills:**

- A garden center decides to publish advice on multiple gardening special interest sites in order to increase the number of inbound links driving traffic to its site. The quality and popularity of the sites on which the garden center publishes its gardening advice should improve its search engine ranking.
- A car dealership in Phoenix, Arizona wants to drive local traffic to its website and identifies a list of long tail keywords such as “best place to buy new and used vehicles in Phoenix.” Once the keywords have been identified, the dealership ensures that the keywords are included in the website’s content and in the site’s meta tags.
competitors’ websites, the digital marketing team should determine the number of links available on the competitors’ websites and also assess the quality of these links. There are numerous online consulting businesses that offer this type of service. This information can also provide a benchmark against which the company can assess its own site links and work to increase the quality and quantity of the links to and from its site as necessary.

3. Traffic and Visitor Activity

Third-party businesses enable companies to monitor the traffic activity on competitor sites. Such information helps the digital marketing team identify the amount of traffic competitors’ websites experience, the time spent by consumers on competitors’ sites, the bounce rates, the ratio of paid to organic visits, and the specific demographics of visitors. Not only does such data help companies to set up their website flow and analytics, but it also helps them to constantly benchmark their performance against the top competitors in the industry.

3.1.2.7 Website Architecture Design

One of the first considerations when building a website is the site’s structure. A well-planned structure is fundamental to the success of the website and can prevent issues in later stages of the site development. Website architecture design involves planning the layout and design of the website, identifying the pages to be included, determining how consumers will navigate the site, and planning how these pages will link together. Based on the learning from marketing research and competitor website analysis, the digital marketing team—along with subject matter experts, such as website developers—is responsible for ensuring an optimal website architecture design.

A key factor that the must be considered when planning the website architecture is click-depth. Click-depth or crawl-depth refers to the minimum number of clicks required of a website visitor in order to get from the “root” web page to a desired web page. The root web page is the page that displays when only the domain is in the URL (i.e., no path information is included). The objective is to enable visitors to find what they are looking for with ease. Companies must ensure that the click-depth is kept as low as possible, so that users and search engines can reach any point on the site within a minimum number of clicks.

The digital marketing team analyzes how each page will be linked internally and externally, creating categories and subcategories within the site. While creating the website, search-friendly URLs should be used to increase the relevance of the links and help the organic ranking for the website. Additionally, duplicate meta tags, meta descriptions, and titles should be avoided to prevent confusing web crawlers.

In short, the website architecture design should assure visitors they are on the right page; ensure visitors can easily find what they are looking for by providing a clear navigation path and search feature; properly link together the various pages; and ensure that the website is easy to navigate not only for users, but also for web crawlers so that the site content can be detected by search engines.
A critical component of website architecture is scalability. Website designers must ensure that websites are designed in a way that navigation is not compromised when new functionality, product lines, or business units are added. Consumers have a low tolerance for long wait-times or high click depth pages and will quickly leave a site that does not provide optimal usability. For example, a business may start with a simple website to build awareness of the brand, and provide details of the product offerings; however, if the company chooses to add an e-commerce component at a later date, the e-commerce capability should be aligned with the existing product catalog so that customers can continue to navigate the site with ease and purchase products quickly and securely. A well-thought-out architecture at the planning stage will enable this new functionality without overhauling the existing site.

Example of Website Architecture Design:

- When designing the initial structure of its new website, a home improvements company took into account the long-term corporate goal of product line expansion. The company designed a root page that focused on family and home. Their line of kitchen products was prominently displayed, appearing only one click from the root. By setting the structure up in this manner, the company left the potential to add bathroom and bedroom product lines, without restructuring the architecture of the site or losing the broad base of consumers the initial site was targeting.

3.1.2.8 Website Creation Tools

Website creation tools are web-based tools that allow creation of webpages using a variety of templates. These tools are user friendly and allow businesses to create web pages simply by dragging and dropping various page elements.

Many providers of website creation tools also offer digital storage solutions. Working with a service provider that can both offer website creation tools and host the site can provide a convenient solution for small-scale businesses that are launching an online presence. This approach reduces the investment costs associated with purchasing a dedicated server and avoids the need to search for multiple service providers to facilitate website development.

Example of Website Creation Tools:

- An auto body shop decides that a functional website showing the basic contact information and services available is all that it requires for an online presence. The company does not have the in-house expertise to write the code for a website and it does not want the expense of hiring a professional web developer. It decides to take advantage of the hosting services available that provide easily populated templates for web development. These services also handle the registration of the URL, and provide a minimal level of search engine optimization.
3.1.2.9 Mock-ups

A wireframe is a type of mock-up that marketers use to visually map out the proposed structure, content, and functionality of a website. A wireframe separates the content components of the website from the functional components of the website, thus allowing the digital marketing and website development teams to visualize, understand, and explain how users will interact with the website. A typical wireframe includes the following:

- key pages and their locations
- page layout including placement of side bars, main content, and navigation bars
- navigation links, page titles, and content labels
- place holders, content text, and images

A wireframe enables the website development team to ensure the proposed website layout is clear and consistent across the various pages and also allows the team to identify potential issues with the website, such as inconsistencies or usability concerns. A wireframe uses boxes to show the various parts of the proposed web page in order to help the development team visualize where various components of the site, including text, images, navigation bars, and advertising, among others, will be located. While developing the website, the team uses the website wireframe to sketch ideas, estimate development time and costs, test navigation, verify usability, and ensure consistency across the site and with branding and other marketing activities.

3.1.2.10 Meetings and Discussions*

Meetings and discussions are an essential part of developing and managing a company’s website and measuring its performance. They provide a forum for the digital marketing team to ensure that the website development team’s efforts are aligned with the activities of other digital marketing channels and that the website supports the marketing objectives as established in the Marketing Strategy.

Consumers often rely on a company’s website for the most up-to-date information about a company’s products, services, and promotions. Thus, content on the website should be reflective of all areas of the business and must be consistent with all other marketing initiatives, both digital and offline.

Meetings and discussions also enable members from outside the digital marketing team to provide insights on current trends, competition, and potential opportunities and threats that may impact the success of the website. Furthermore, without ongoing meetings and discussions, the website development team may engage in activities that do not align with other marketing initiatives and may run the risk of missing key opportunities or sending consumers inconsistent messages, which may in turn impact the goals and objectives of the Marketing Strategy.
3.1.2.11 Expert Insights

The digital marketing team is primarily focused on ensuring that the Digital Marketing Strategy is aligned with the marketing objectives and in turn the corporate goals, and that it reflects a good understanding of both the company’s business and the target audience. Additionally, in order to ensure maximum effectiveness of the website, the team must develop an understanding of the best practices in website design and select the most appropriate website layout for the target segments. To ensure the effectiveness of their websites, most businesses enlist experts to help provide information on globally successful practices in website design, knowledge of features that appeal to the target segments, and insights on how to design the website to align with corporate goals. These experts also help businesses maintain consistency of brand messaging in both online and offline media. Without insights from subject matter experts, the digital marketing team may not be able to leverage the latest and most effective methods in designing the website and, thus, may reduce the success of the Digital Marketing Strategy in reaching corporate goals.

3.1.3 Outputs

3.1.3.1 Created Website*

The primary output of this process is the completed company website. To accomplish this task, the digital marketing team receives approval for the website conceptual design and mock-ups from senior management and works with the website development team to build the site according to the proposed design, taking into consideration marketing research, feedback from experts, and competitive information. Various website design and creation tools are used and search engine optimization is considered. Once the website development is complete, the website is presented to senior management and relevant stakeholders for final approval. After final approval, the website is continuously updated and optimized to ensure it provides customers and prospects with relevant and current information.

3.1.3.2 Refined Metrics and Targets for Website

Throughout the research and planning stages, the digital marketing team also identifies relevant metrics to measure the performance of the website once complete. These metrics are designed to measure the specific performance of the various activities associated with the website in order to achieve the digital marketing targets. The identified metrics are a reflection of the business objectives and vary depending on the primary purpose for the development of the website channel. For example, if the intent is to build the website to generate revenue, then the metrics may include information such as the cost of customer acquisition, the time spent by visitors on the site, the bounce rate, and the conversion rate. Alternatively, companies may develop an online channel to simply build awareness or promote their brands. In such cases, the metrics may include the number of engaged users and customer perception of the brand.
Example of Refined Metrics and Targets for Website:

- An office supplies retailer launches a new e-commerce site with the primary objective of increasing its online sales. The target for the digital marketing team is to reach $5 million in online sales through the e-commerce site and to do so within a budget of $200,000. Throughout the planning and development of the website strategy, the team refines the metrics and targets associated with the new e-commerce website initiative and establishes several metrics and targets that will help measure the performance of the new site. The refined targets include a five percent reduction in the cost of customer acquisition, an average revenue of $25 per customer, a ten percent reduction in bounce rates within three months, an increase to 10,000 site viewers per day, and an improved customer conversion rate of five percent.
3.2 Plan and Develop Mobile Channel

The increasing usage of mobile devices across all geographies and customer segments; the variety of mobile devices, mobile platforms and operating systems; and the rapidly changing face of the mobile industry, all make planning and developing the mobile channel for a company a challenging task. The Plan and Develop Mobile Channel process helps companies to understand the options they have and the factors they need to consider in developing their mobile channel. Since the process must align with the objectives of the Marketing Strategy, the team working on the development of the mobile channel needs to understand the business' customers as well as the product or brand positioning so they can create a mobile app and mobile site that serve to achieve the digital marketing targets that support the business objectives.

Figure 3-3 shows the inputs, tools, and outputs for the Plan and Develop Mobile Channel process.

![Diagram of Plan and Develop Mobile Channel inputs, tools, and outputs]

**Figure 3-3: Plan and Develop Mobile Channel—Inputs, Tools, and Outputs**

Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
3.2.1 Inputs

3.2.1.1 Integrated DM Channel Plan

The Integrated DM Channel Plan provides an indication of the level of cross channel interaction. If both website and mobile development are being considered, the order in which each platform is developed must also be considered. Websites can be developed, and then features downgraded to fit the smaller size and more limited capacity of a mobile, tablet, or other device. This “graceful degradation” is a commonly used technique in scaling down websites. Alternatively, mobile development can be done first. Features are then “progressively enhanced” for the full website. This method is useful in ensuring that the most relevant and useful content is available on the mobile site. Consideration of how the social media channel activities will complement and align with the website and mobile channel is also important, as all digital channels should work together in order to achieve the digital marketing targets.

Example of Integrated DM Channel Plan:

- An event ticket retailer might first develop its mobile site and associated app. The main functions of allowing for quick searches and easy ticket purchases are the focus of the mobile site. The full website is then developed with additional information regarding venues, parking, and the events themselves. Both the website and the app may include a link to Facebook encouraging customers to update friends on recent events, thus extending its reach via social media.

3.2.1.2 Mobile Metrics, Targets, and Budgets*

Metrics, targets, and budgets for developing and monitoring the effectiveness of the mobile channel are included in the Selected DM Channels output in process 2.2—Evaluate DM Channels. Mobile channel metrics and targets might include the number of customers that the mobile channel must attract and the actions those customers must undertake on the mobile channel. Determining the metrics, targets, and budgets for the mobile channel help shape the overall mobile development plan by ensuring that appropriate resources are allocated to the effort, thereby influencing the development of the mobile apps and services delivered through mobile devices. For example, if the customer acquisition target for the mobile channel is proportionately higher than that of the social media channel, then the company may consider developing a feature-packed mobile app across multiple mobile platforms and launch mobile specific offers on that app to attract a large number of customers and encourage them to make purchases using the mobile app.
### Examples of Mobile Metrics, Targets, and Budgets:

- Online clothing stores leverage mobile channels, especially mobile websites, to support conversions through the customer’s purchasing process. The mobile website is used as the destination for online marketing campaigns, and customers browse through the products before making any purchase.
- Media publishing companies usually provide a free mobile app to their users and use metrics such as the number of articles read or shared, followers gained, and screens viewed to measure the lifetime value of the user. This ensures that the value derived from the mobile app aligns with the overall mobile channel targets.

### 3.2.1.3 Selected Target Segments*

Selected Target Segments is an output of the Select Target Segments process in the SMstudy® Guide-Book 1, Marketing Strategy (section 3.2). It contains the following:

- the specific needs of each target segment that a product or service satisfies
- all relevant characteristics of each target segment that differentiates the segment from other segments
- the market attractiveness attributes for each segment, such as size and growth rate
- the personas of typical customers in each target segment
- organizational strengths that may help the company compete successfully in each segment
- the products or services that are most suitable for the various target segments

Understanding a company’s target customers is necessary for conducting market research to identify mobile usage patterns and preferences. This knowledge informs the development of mobile apps. As part of this process, user personas are created from among the target customers. These personas help in identifying the most important features to include in the company’s mobile apps and mobile websites.

### Examples of the Selected Target Segments:

- Some fitness and sport tech companies that create wearables, such as digital pedometers and GPS tools, provide mobile apps that clearly satisfy their target segment’s needs and focus on customers interested in a particular sport such as cycling, running, or other athletics.
- Game manufacturers developing racing games create mobile apps that function as a demo of the main product to attract a niche audience based on the gender, age, and engagement of the gamer.
3.2.1.4 Allocated Budget*

The allocated budget is an output of the Decide Marketing Aspects and Allocate Budget process detailed in the SMstudy® Guide-Book 1, Marketing Strategy (section 5.3). In this process, budgets are allocated for each Marketing Aspect and then subsequently divided among the various channels in each Aspect. The budget allocated to mobile website and app development will depend on the priority of the channel relative to the other channels included in the Digital Marketing Strategy. The budget represents a constraint for the mobile development team that dictates the amount of resources to be used in executing the mobile website and app development efforts. The team must ensure that key targets and expectations are being met while ensuring that costs do not exceed the allocated budget for the mobile channel activities.

3.2.1.5 Details of Competitive Products

Details of Competitive Products is an output of the Identify Competition process in the SMstudy® Guide-Book 1, Marketing Strategy (section 3.1). This includes information on the performance of competing products on selected key criteria, their target segments, their positioning statements, pricing, and estimated or actual sales volume. The products that are the closest to a company’s products that need to be monitored continually are also considered.

This input is necessary for performing an analysis of mobile sites and apps promoting competing products. Such analysis helps a company to identify whether it needs to modify features or content in its own mobile apps and mobile websites. It also enables a company to observe promotions or offers by competitors in their mobile channel and allows the company to react accordingly.

Competitive analysis is also useful when a company does not have a mobile app or mobile site and is planning to build this channel in a short time frame. Since competitors are targeting a similar audience, an understanding of the approaches that work and those that do not provides the organization with insights into how to design apps and mobile sites in accordance with the likes and dislikes of the target audience.

3.2.1.6 Marketing Research Reports

To understand the mobile usage behavior, attitudes, and preferences of target customers, the digital marketing team may reference past reports on these topics commissioned by the company or procure reports through other research agencies. Companies should have an understanding of how their target audiences interact with mobile devices so they can then target the audiences more effectively.

In addition to research reports on mobile usage, a company should also understand the mobile development technologies available. To obtain this knowledge, various technical reports, magazines, and websites can be consulted.
3.2.1.7 Positioning Statement*

The positioning statement is the main output of the Create Differentiated Positioning process in the SMstudy® Guide-Book 1, Marketing Strategy (section 3.3). A positioning statement can influence development decisions with regard to the mobile app and mobile website. Differentiators, guarantees, and warranties mentioned in the positioning statement should be reflected in the company’s mobile app and mobile site, if feasible. For example, if a company promises a hassle-free shopping experience in all of its other marketing channels, then the same should be reflected in its mobile app, which might include features like intuitive navigation and a quick payment process. Similarly, if a company provides additional benefits to some existing customers, then the mobile app should have a login feature that can identify different customers and change the content of the app accordingly.

Examples of Positioning Statement:

- A taxi service company’s positioning statement references customer ability to conveniently book and pay for taxi rides using their mobile app. Therefore, the company’s mobile app must provide the functionality to view available taxis, book a taxi, and pay using a credit card.
- Financial institutions create mobile apps or mobile websites to support their commitment to enable busy professionals to obtain continuous updates on stock prices, important tips on investing from industry experts, and functionality to manage their stock options via their mobile phone.
- A large grocery chain wants to promote locally grown offerings in each region as part of its effort to position itself as a big store that supports local producers. Its mobile app will display current specials and promotions based on the locality of the user at login.

3.2.1.8 Existing Branding

Branding is a key component to the overall Corporate Strategy of the company and all marketing activities associated with the business. Branding is discussed in detail in the SMstudy® Guide-Book 5, Branding and Advertising. A company’s brand represents—in a logo or mark, a message, a service, a product, an ad, or an event—what customers can expect from the company. Brand touches all facets of the business, and it is important to maintain consistency of brand across the company’s products and services and throughout all
marketing channels. The mobile channel development team must therefore ensure that the mobile website and app effectively support and are consistent with the overall brand and sub-brands of the company and align well with other marketing efforts that support the brand. Without the consideration of existing branding, the mobile channel may not provide a brand image that is consistent with other marketing channels, thus possibly confusing consumers or weakening the brand.

3.2.1.9 Outputs of Marketing Strategy

The SMstudy® Guide-Book 1, Marketing Strategy describes the processes associated with establishing a Marketing Strategy for a product or brand from which strategies for each of the various Aspects of Sales and Marketing can be derived. Among the outputs of Marketing Strategy are the marketing objectives and the selected Aspects of Marketing that will help the company successfully reach its overall corporate goals. Digital Marketing forms just one of the several Aspects that the company can use to achieve its marketing objectives as defined in the Marketing Strategy. The Digital Marketing Strategy, therefore, must align with and support all other Aspects in the Marketing Strategy. The mobile channel provides one means by which the business can support the Aspects of the Marketing Strategy and contribute to achieving the marketing objectives for the product or brand and, in turn, the corporate goals. Establishing a Marketing Strategy requires the evaluation and selection of target market segments, a clear understanding of the competitive landscape, an understanding of the product’s product and product features, and the product’s positioning relative to that of its competitors. These elements of Marketing Strategy inform decisions related to the planning and development of the mobile channel. Without considering the outputs of Marketing Strategy, the mobile channel development team may lack the focus required to achieve the marketing objectives and their activities may not be optimally aligned with the other Aspects of Sales and Marketing.

3.2.2 Tools

3.2.2.1 Branding and Advertising

Branding and advertising are discussed in detail in the SMstudy® Guide-Book 5, Branding and Advertising. A strong existing brand and effective offline advertising can provide essential support to the company’s mobile channel and, if aligned, offline and digital activities can work together to build better awareness of the brand, and ultimately generate more revenue, provide customers with essential updates and information, and help the business achieve its marketing objectives.

Particularly if a business has strong brand recognition, offline advertising provides an effective means of driving consumers to mobile content. For example businesses often use radio or television to advertise new gaming apps. The mobile website development team should develop a mobile strategy that aligns well with offline initiatives in order to ensure timely and successful delivery of mobile content.
3.2.2.2 Competitor Mobile Site/App Analysis

The list of competitive products is available from the Details of Competitive Products input. Using this list, the digital marketing team should analyze the mobile apps and mobile sites of competitors to determine if similar apps or sites could benefit the company, or if improvements need to be made to existing apps or mobile sites. The following are factors that should be analyzed when assessing the mobile channel effectiveness of competitors:

1. **Functionality**—This factor addresses the app’s ability to meet the needs that it was intended to fulfill as well as provide the features that consumers use in order to fulfill those needs. Functionality also refers to whether the app is being used to purchase or deliver a product, or if it is intended to support a product or service. For example, a company offering personal transportation services may have an app that customers can use to book personal transportation. Thus, the app is being used to deliver the main service for the company. In contrast, movie production companies sometimes create mobile gaming apps to build awareness or generate additional interest in a particular movie. In this case, the mobile app is being used to support the main product, which is the movie.

2. **User Interface**—This factor refers to the quality of design, ease of navigation, and responsiveness of a competitor’s app or mobile site. An app or mobile site might perform all the functions and have all the features that customers want. However, if the graphic quality is low, the navigation is not intuitive, or the app or mobile site is slow to respond, then the perception of the app or mobile site from a user’s perspective is negatively impacted.

3. **Search Rank**—This indicates the position in which the competitor’s mobile app is displayed in search results in a mobile app store. A high rank can indicate a high level of popularity, though it may also be an indication of a focused and extensive marketing effort. The higher the search rank, the more visible the app is to consumers and, generally the greater the number of downloads for that particular app.

4. **Number of Downloads**—The number of downloads depends on a number of factors including the search rank within the mobile app store; the promotion effort and marketing spend; the quality of the page that contains information about the app; and the accessibility, popularity, and quality of the site from which customers can download the app. A high number of downloads indicates a broad reach.

5. **Reviews**—These are reviews that a competitor’s app has received in the mobile app store or on any other review site. The review may simply be a rating on a scale of one to five or it may be more detailed text descriptions. Good reviews from a high number of customers indicate an app that customers use and like. Studying the detailed reviews of a competitor’s app can provide a company with excellent insights into the strengths and weaknesses of the app from the customer’s perspective. This information can be helpful in developing a competing app that can capitalize on the strengths and avoid any potential pitfalls.
6. **Presence across Mobile Platforms**—If a competitor’s app is accessible across multiple platforms, the app will likely have a wider customer base than if the app is accessible in only one platform. However, if the competitor is unable to manage multiple platforms well, the app may receive low search ranks on multiple platforms. A competing company can respond by focusing on a single platform and ensuring a high search rank, which will likely result in higher overall downloads than its competitor’s app.

7. **Price**—Some apps are available free of charge while others demand a fee. Free apps are sometimes supported by ads that appear while the app is running on a mobile device. A company must understand the rationale behind the pricing strategy chosen by a competitor, and determine the benefits that the competitor is gaining as a result of the strategy before deciding on the price of its own apps.

   Free apps are generally used by a company to generate interest and engage customers on a wide scale, or in instances where the app is used to sell the company’s products. A mobile app for an e-commerce website, for example, is typically free because the app offers accessibility to products and generates sales of the company’s products or services.

   Some free apps are supported by ad revenue. Companies offering these apps may have the same objectives as those offering free apps without ad revenue; however, these companies risk receiving negative customer feedback or generating negative customer reviews because many customers get annoyed and frustrated by excessive ads.

   Paid apps or apps that have paid sections are generally used if the app is providing a significant benefit to customers and the company has invested a great deal of resources in developing the app or in delivering content through the app. For example, full versions of mobile games from gaming companies are generally paid apps. Many software companies will provide limited versions of their product as free apps. A time-management software developer might provide a free version of its software, which only allows five entries per week. Customers would be required to purchase the full version if they want unlimited entries.

   Knowing consumer perception of value for money is an integral part of app development. Because apps range in price from free to very expensive, it is important for companies to understand the perception of consumer value in their own apps. Customers will quickly migrate to a competitor if they can obtain what they perceive to be a similar quality app free of charge from another company.

8. **Integration with Other Marketing Channels**—A company should also analyze the extent to which a competitor’s mobile app is promoted through the competitor’s other marketing channels. An app can be promoted through any and all marketing channels, including traditional offline channels, as discussed in the Branding and Advertising (BA) book of the SMstudy® Guide series. For example, a printed two-dimensional barcode—a Quick Response Code (QR Code)—can be used to allow customers immediate access to a mobile app with a simple scan of the QR Code using their smartphones. Companies that have an integrated marketing plan offering several touchpoints with the customer will often promote mobile apps through multiple channels. The importance of a mobile app to a competitor can be gauged
by how extensively the mobile app is integrated with, and promoted through, the company’s other marketing channels.

9. **Offers and Promotions**—A competitor may extend offers and promotions that are available on and sometimes valid only for its mobile app. A mobile app offers certain advantages over other marketing channels, such as the ability to inform customers about products anytime and anywhere as customers generally have access to their mobile phones at all times. Also, a mobile app may record the geographic location of customers, which can enable a company to offer targeted promotions based on customer location and provide customers with immediate and customized communications based on where they are at any point in time. A competitor may promote a mobile app in other marketing channels to prompt customers to download and use the app. Gaining an understanding of how competitors use offers and promotions to support their mobile apps helps companies identify ways that they too can enhance the customer experience using similar approaches.

### 3.2.2.3 Marketing Research

Marketing research must be carried out to understand the mobile usage patterns of intended users, to segment the target market and further identify different user personas, and to create use cases based on personas and their mobile usage patterns. Understanding mobile usage patterns includes analyzing many factors including the following:

- the location of mobile device usage—at work, at home, and while travelling
- the type of mobile Internet used—Wi-Fi (home, work, or public) or mobile data (2G, 3G, 4G/LTE etc.)
- the primary reasons for mobile device usage—checking e-mails, playing games, interacting on social media, browsing information, reading e-books, making purchases, and so on
- the mobile platform used and corresponding operating system version
- the mobile device used—tablet or smartphone
- the most frequently used apps
- the frequency and duration of usage
- interaction with other electronic devices—PCs, laptops, projectors, TVs, and so on

Marketing research may also be used for gauging user response to a prototype or final mobile app or site before it is launched. Marketing research can also help identify the most popular or most promising mobile app development technologies to help the digital marketing team decide on a particular development method.
3.2.2.4 User Personas and Use Cases*

Utilizing user personas and use cases to design and develop a mobile app is a highly customer-focused approach. User personas depict typical customer profiles. A user persona may include age, gender, occupation, location, relationship status, type of mobile device owned, personality type, and any other features that are relevant for defining customers of mobile apps. It also helps to name user personas so that the team can think of a persona as a real person. Each persona should be based on market research that focuses on identifying specific types of customers who are most likely to use a company’s mobile app. The number of different user personas created and referenced should be manageable. For apps that appeal to a narrow segment of customers, three to five user personas are generally sufficient.

Example of User Personas:

- Health tracking apps that monitor diet, calories, exercise patterns, and so forth are highly customer-focused. To best tailor such apps to specific segments, user personas are used to facilitate offering personalized recommendations for users, based on age, gender, weight, and specific patterns of behavior that impact diet and health.

After user personas are defined, developers create user stories for each of the personas. These stories contain an indication of how the personas would use the app, what the personas might seek to do with the app, and the specific features that will enable the personas to effectively perform the tasks that they seek to perform. The objective is to eventually define user requirements by collating all of the user stories.

Examples of Marketing Research:

- Online meeting, web conferencing, and video conferencing companies have now created mobile and tablet apps to add value and enhance user experience when attending meetings on-the-go. Effective market research on various factors including technology, mobile Internet requirements, operating system versions, and so forth, has helped these companies create apps that are well suited for this purpose. As a result, user experience as well as feedback on these apps is positive.

- The increase in the usage of mobile technology has forced newspapers and news channels to create mobile sites or apps to update consumers on the latest news items and provide up-to-date information on-the-go, such as changing weather forecasts, traffic updates, or current local events. Market research was carried out to identify different personas and to create use cases to understand customer mobile usage patterns. This research has helped these companies to adapt to this changing market trend using apps or sites to enhance the customer experience.
Mobile content developers use user stories to derive a use case, which is a list of steps that define the interactions between the user and the mobile device.

Example of User Persona and User Story:

- A user persona for a car racing game might contain the following:
  - Name: John
  - Age: 18
  - Gender: Male
  - Mobile Device Owned: Tablet
  - Personality Type: Early adopter

- A user story for the above persona is as follows:
  “John seeks out the latest versions of car racing games, pays for top-rated games, plays daily for an hour against other users, and likes to share his match results with his friends and other app users.”

Example of Use Case:

- Based on the user story, a use case for John is created as follows:

As depicted in this use case, John would require features, such as the ability to pay for the app, to set up an account, to play the game in multiplayer mode with other players, and to share match results with his friends and other users.

After use cases for all personas are drawn, all use cases are combined in a single diagram to determine the key features that are required in the app.
This method does not determine all features that should be included in an app but only those key features that have been identified as part of the persona and use case development process. There will be a number of features that support the key features and that can be defined during a more detailed planning step undertaken later in the planning process. For example, sharing match results may need the app to be integrated with apps that enable sharing, such as e-mail apps or social media apps. This integration is a supporting feature that can be identified at a later stage.

Utilizing personas and use cases ensures that no key features that are required by the target markets are missed and that such features form the core of the design.

3.2.2.5 Mobile Website Development Methods

Mobile devices have a number of characteristics that make them very different from laptops and desktops. Their screens are smaller; their screen orientation changes from portrait to landscape depending on how the user holds the device; their inputs are mostly touch-based, making them different from keyboard and mouse-based inputs; and they have additional capabilities such as geo-location. Given these differences, and the fact that mobile traffic now forms a significant proportion of overall traffic to websites across industries, it has become important for companies to ensure that their websites display and perform well on mobile devices.

There are primarily two approaches companies can take when seeking to develop their websites for mobile devices. The options are as follows:

1. **Create a Separate Mobile Site**—This approach involves creating a separate site specifically designed for use on mobile devices. These sites generally have only the most important sections of the site displayed in such a manner that they are easy to read on the smaller screens of smartphones and tablets. If a user wants to access additional information that is not present on the mobile site, then links are provided to relevant pages on a full version of the website. Typically, a link is also provided for users to access the full version of the website.

2. **Implement Responsive Design**—This approach involves reprogramming and sometimes redesigning the existing website so that it adjusts its display and content automatically, depending on the screen size and orientation of the device on which the website is being viewed.

Deciding which option is the best for a company or a product will depend on a number of factors, the most important of which are as follows:

1. **Cost**—Generally, creating a separate mobile site costs less than implementing responsive design for an existing website. Implementing responsive design typically involves changing the code of an existing, live website. This approach may also involve changing the design or the architecture of an existing website. Therefore, a lot of planning, as well as testing is involved in making sure that the responsive design works at least as well as the existing website. To create a separate mobile site, a number of ready-to-use templates are available for free or at low prices.
2. **Time**—Because creating a separate mobile site is a simple and relatively easy process, and ready-made templates are available, less time is required to create a site than to implement responsive design where a lot of time is spent on planning and testing.

3. **SEO Benefits**—When a mobile site is a separate website, links to the mobile site will typically be considered separate from the full website, and vice versa. Thus, this design will split the SEO benefits of backlinks. In contrast, in responsive design, the website stays the same and only the back-end code changes. Therefore, the responsive design approach captures the full benefit of all SEO activities.

4. **Content Management**—If a company has a separate mobile site, it must ensure that any content updates are made to both the mobile site and the full website, resulting in more time and effort spent on updates. In responsive design, only one website exists for all devices, so all content updates need only to be made once. In many mobile sites, the variety and depth of information is less than that of the corresponding full website so the entire content can fit easily on smaller screens. Thus, deciding which content to keep, and which to ignore, is an additional task that needs to be completed when creating a mobile site and updating content.

5. **Skills Available**—A company must evaluate the skills of its website design and development team, which may be in-house or outsourced, with respect to the two approaches. If the team can implement only one of the two options, then a company that is constrained by time and cost may decide to go with that which the team can implement. If, however, a company can afford to spend additional resources, then it should opt for the approach that makes the most sense for its customers and for the company.

### 3.2.2.6 Mobile App Development Skills

Generally, a company assigns a dedicated and skilled team to develop its mobile app and mobile site. This team might be in-house, or the company may choose to assign the development work to an external firm. In either case, it is essential for the team to have the necessary skills to develop mobile apps with the features that the digital marketing team has determined are required. A company may have fewer features in its first few apps, but it should ensure that the development team has the requisite skills to create apps that have more advanced features as well, in case the company decides to add features at a later time. Given increasing mobile usage among customers across all industries, companies will, in all probability, need to constantly adapt to consumer needs and create more advanced mobile apps to keep up with mobile app trends and changing demands.

Also, several mobile app development platforms exist, and the team should ideally be able to develop applications across those platforms. However, if the team is able to identify and create apps for the most popular platform used by its target audience, then the company can test customer acceptance of its apps on the most frequently used platform before developing similar apps for other platforms.
The performance of mobile apps even on the same platform may differ based on the device type (tablet or phone) or the device model. Thus, the application development team must create apps that can perform equally well across device types and device models.

Some of the specific skill sets that a mobile app development team must have are as follows:

1. **User Interface (UI) Design**—This skill refers to the ability to design an app that has an attractive, easy-to-navigate, and responsive design. It requires both creative skill and knowledge of best practices in UI design for mobile apps.

2. **Database and Hardware Computing**—This knowledge refers to the ability to create databases with an optimal data structure, specify interaction of the app with the device hardware, minimize power requirements, ensure security of the app against external threats like viruses and hacking, and allocate memory efficiently.

3. **Programming**—Programming languages translate business logic into a machine-readable language. It is important to write programming code efficiently and in modules so changes to the code can be implemented easily. The team should have knowledge of using Application Programming Interfaces (APIs) for various mobile app platforms. These APIs allow programmers to create apps without requiring access to the proprietary underlying code developed by the mobile app platform companies. Preferably, the team should also know how to use interfaces that allow the creation of mobile apps that can be deployed across different mobile app platforms.

4. **Business Understanding**—The development team should have a basic understanding of the Marketing Strategy for the product or brand and how the app fits into this strategy. This understanding will give the team a sense of the target customers, which may further enable them to create an optimal UI and ensure the final product supports the intended positioning of the app in the mobile app store.

### 3.2.2.7 Emerging Technology Assessment

Mobile app development is a dynamic field that is constantly changing with the addition of new technologies, tools, and ways of communicating. The digital marketing team needs to be aware of the latest developments in mobile app design capabilities. The tools and features available to app developers are constantly being improved upon. Knowing the emerging methods for content delivery can greatly assist in creating engaging and successful mobile apps.
3.2.2.8 Mobile App Development Methods*

A number of factors make developing a mobile app difficult, such as the existence of multiple mobile app platforms, various operating system versions for each platform, and multiple device types, each with its own set of unique features. Given this variety, there are also many ways to design a mobile app, but the three most common methods are native app development, cross-platform development, and web app development. The company must decide which of these types of development methods is most suited for its needs. This decision should be guided primarily by what makes most sense for the customer. Some additional factors to consider are the cost of development, the time available for development, and the skills of the mobile app development team.

Each of the three types of development methods is described as follows, along with key characteristics, and situations in which a certain type of method should be chosen.

1. **Native App Development**—This method involves developing apps directly on a specific mobile app platform using the platform's programming language and native code. The apps are listed in the mobile app store of a platform and can be accessed and downloaded.

   Key characteristics of this method are as follows:

   - **Ability to Use Operating System and Device Functionality**—This ability is high for native apps as they are built directly on a specific mobile app platform that provides access to all features of the operating system of the platform and devices that run on the platform. Whenever there are changes to the operating system or when additional features are supported on newer devices, native app developers are able to upgrade their apps quickly.

   - **Ability to Be Used Offline**—As native apps are installed directly on mobile devices, some or all features may be used even when there is no Internet connection because the app can use data stored on the device. Once an Internet connection is restored, then the mobile app can synchronize new data with a central server.

   - **Cost of Development**—The cost of developing native apps for multiple platforms is relatively high primarily because developing the same app for different platforms requires almost the same effort for each platform. There are only a few components (e.g., user interface design) that can be leveraged across platforms. Most of the programming must be done from the beginning for each new platform. For this reason, some companies choose to create an app for only one platform.

   - **Level of Skills Required**—If a company wants to create native apps for multiple platforms, the app development team must be skilled in developing apps for each of the platforms. Thus, highly skilled resources are needed for multi-platform app development. If a company does not have technical resources skilled in multiple platforms, it may need to invest time and resources in training existing resources or hire external resources for the app development effort.
2. Cross-Platform Development—This method involves developing the app once on a cross-platform app development framework and then running it on multiple platforms after making suitable adjustments for each platform. The apps are listed in the mobile app store of each platform and can be accessed and downloaded.

Key characteristics of this method are as follows:

- **Ability to Use Operating System and Device Functionality**—Apps that are developed using the cross-platform development method do not have as much ability to use the operating systems and device functionality as apps developed using the native app development method since some features are made available only to native app developers by a mobile platform in order to promote the platform. In addition, any new upgrades to the operating system of a platform or additional device features are not immediately available to cross-platform frameworks—and sometimes are not made available at all.

- **Ability to Be Used Offline**—Because cross-platform apps are installed directly on mobile devices, just like native apps, some or all features may be used even when there is no Internet connection because the app can use data stored locally on the device. Once an Internet connection is restored, the mobile app can synchronize new data with a central server.

- **Cost of Development**—The cost of developing apps for multiple platforms using a cross-platform framework is much lower than the cost for developing native apps for each platform. The cost savings are a result of the fact that the basic code of an app built using a cross-platform framework is the same across platforms with only small adjustments being required for each platform. Most of the development effort for one platform can be reused for all other platforms.

- **Level of Skills Required**—If a company wants to create apps for multiple platforms using a cross-platform framework, the app development team only needs to know how to create apps on one framework. Thus, even moderately skilled resources might provide enough expertise in app development if the company chooses this method of development.

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*Example of the Native App Development:*

- Many native apps are included with the factory version or manufacturer's version of a mobile, tablet, or other device. The camera, e-mail, and settings on a smartphone are a few native apps that can be used offline and then synced with other devices. These apps are created using native code and the platform's programming language. At times, an update of the operating system is needed to upgrade the functionality or the version of these native apps.
3. Web App Development—Web apps may be accessed through an Internet browser by any device and on any platform. The app runs on a central server and generally does not need to be customized for different platforms. For a long time, web apps could not use any features of the device or operating system, or run offline, but recent developments have made this functionality possible. However, the performance and user experience is generally not as good using this method in comparison with apps developed using the native app development or cross-platform framework methods.

Key characteristics of this method are as follows:

- **Ability to Use Operating System and Device Functionality**—The ability for web apps to use the device operating system and functionality is quite limited and has only recently been made possible. Use of upgraded features of either the operating system or devices is even more limited than that of apps built using the cross-platform framework.

- **Ability to Be Used Offline**—Recent developments have made it possible for web apps to be used offline in a limited manner. While users are online, data is stored in local memory and can then be accessed while offline, to be later synced once a network connection is restored.

- **Cost of Development**—The cost of developing web apps is low because the app generally needs to be created only once, regardless of how many different platforms or devices access the app.

- **Level of Skills Required**—If a company wants to create web apps, the mobile app development team must know the markup language being used by most web app development frameworks.
To determine the right mobile app architecture, a company needs to understand the following:

1. **Categorization of Key Features**—The company can employ use cases (discussed in section 3.2.2.4) in this process to determine the key features that customers require from the app. Then, the key features should be classified as informational, transactional, or device-oriented.
   - **Informational features** are those where information is being consumed by a user, such as reading news on a subject.
   - **Transactional features** are those where a user carries out a transaction with the application, such as sharing, buying, or downloading.
   - **Device-oriented features** are those that enable a user to utilize device-specific features, such as using the camera or the gyroscope.

If a mobile app primarily has informational features, such as consuming news, then a web app might be sufficient. If, however, a mobile app primarily uses device-specific features, such as scanning codes using the camera, then a native app or a cross-platform app may be necessary.

2. **Type of User Experience Desired**—If the type of customers a company is targeting for its app demands a high-quality user experience from the app, the best approach is native app development, followed by cross-platform development. The best user experience generally comes with utilizing the best that the operating system and the mobile device have to offer, which is what a native app can deliver. For customers who are fine with basic functionality, even a web app may suffice.

3. **Need for Multiplatform Compatibility**—If the target market uses a wide variety of mobile devices and operating systems, it is important for a company to develop apps for each of the mobile platforms.
Unless complex features are required for the apps that will require native app development, a company may be better off developing apps using a cross-platform framework or developing web apps. Where the target audience uses a limited range of devices and/or operating systems and requires complex features, native apps are the best option.

4. **Need for Offline Usage**—If the target market has intermittent Internet connectivity, or does not use mobile Internet very often, it may make sense for a company to make an app, or important parts of the app, available for offline usage. If the app primarily acts as a means for a user to stay updated on news, offers, or other real-time information, then the need for offline usage will be much lower.

Once the mobile app development method is decided, the company then selects a specific mobile app development tool that should ideally fulfill all of the following criteria:

- The mobile app development team should know how to use the tool. In the absence of in-house knowledge, external resources should be easily available to use the tool for the company.
- Developers should be able to use the tool to create all the features desired by customers.
- The cost associated with the tool should be within the budget specified by the digital marketing team.
- The time taken to create an app using the tool should be within the timeframe specified by the digital marketing team.
- The tool should not be based on technologies or languages that are likely to decrease in popularity or become obsolete in the near future.

3.2.2.9 **Meetings and Discussions**

Meetings and discussions are essential in determining how a company should develop its website for mobile devices—through a separate mobile site or through responsive design, based on the parameters detailed in the Mobile Website Development tool, described in section 3.2.2.5. For mobile app development, discussions are useful in deciding the most important and relevant user personas from a number of possible personas and creating the most relevant user stories (see section 3.2.2.4). Meetings are also essential in examining all factors that affect the choice of the mobile app development method.

In some cases, where development time is limited and market research cannot be carried out to determine the best UI, meetings and discussions help in arriving at an optimum solution that minimizes the impact of limited resources and maximizes the output of the team’s knowledge and experience. Meetings are also useful for determining which features of competitors’ mobile apps and sites should be included or improved upon in a company’s app and mobile site.

Finally, meetings and discussions are important for refining the metrics and targets for measuring mobile website performance and mobile app performance.
3.2.2.10  Expert Insights

The digital marketing team should have an understanding of the various mobile architectures and mobile development tools, as well as the factors that should be taken into account while developing mobile apps or mobile versions of websites. When necessary detailed knowledge does not exist in a company, experts may need to be consulted on these topics. Expert insights also enable a company to learn about globally successful practices in mobile app and website development and identify the emerging technologies that are likely to be the most prevalent in the near future. Experts may also help companies maintain the same brand positioning in mobile channels as in their other marketing channels.

3.2.3  Outputs

3.2.3.1  Created Mobile Site*

Once the method of developing a website for mobile devices is chosen based on the parameters mentioned in the Mobile Website Development Methods tool described in section 3.2.2.5, and all of the inputs and research have been considered in devising a plan, the chosen method is implemented, the development is completed, and the site is tested. Once the testing is complete, the final mobile site is launched and considered ready for use by customers.

**Example of Created Mobile Site:**

- Most major financial institutions provide customers with the ability do their banking online through the company's website, the mobile site, or using a mobile app. Mobile customers who do not want to install an app typically have the same access and functionality as those who download the institution's app. The mobile site is conveniently organized so that visitors can login to their account, make payments and transfers, check account balances, and inquire about additional financial products or services. Often there is no need to search the site because mobile sites typically include only the most frequently used links and reduced content, so everything visitors are looking for is easy to find.

3.2.3.2  Created Mobile App*

Once the method of developing mobile apps is chosen based on the parameters mentioned in the Mobile App Development Methods tool described in section 3.2.2.8, and all the inputs and research have been considered and discussed, the app is developed and tested. Once the testing is complete, the final mobile app is launched and considered ready for use by customers.
3.2.3.3 Refined Metrics and Targets for Mobile Website

Refined Metrics and Targets for Mobile Website are derived from the Mobile Metrics, Targets, and Budgets input. For example, if the metrics for the mobile channel are customer traffic and conversions, then the metrics for the mobile website would also be customer traffic and conversions. These targets for the mobile channel are divided between the mobile website and mobile app, in the ratio of their estimated reach and conversion rates.

3.2.3.4 Refined Metrics and Targets for Mobile App

Refined Metrics and Targets for Mobile App are also derived from the Mobile Metrics, Targets, and Budgets input. Taking the above example for mobile website performance, if the metrics for the mobile channel are customer traffic and conversions, then the corresponding metric for the mobile app for customer traffic may be the number of views of the app download page or number of downloads, and the corresponding metric for conversions may be the number of purchases made using the mobile app. The targets for customer traffic and conversions are divided between the mobile website and mobile app, in the ratio of their estimated reach and conversion rates.

Example of Created Mobile App:

- A technology firm developed a mobile app that allows its customers to capture any notes including images, audio, and video. This provides its customers a convenient way to record and store their important information online. The app also provides the ability to work offline and includes a login screen that enables a higher level of security. It was developed specifically for two popular platforms (Android and iOS) using a native app development framework and was made available to its customers at a specified price.
3.3 Plan and Develop Social Media Channel

The increasing popularity of social media across all geographies and most customer segments, the variety of social media elements and sites available, the difficulty in measuring the impact of social media marketing, and the rapidly changing landscape of social media, all make planning and developing a social media channel a challenging initiative for a company. This process helps companies evaluate the effectiveness and relevance of various social media elements in supplementing the marketing efforts for a product or service. The team working on planning the social media strategies must therefore understand the company’s customers and the product positioning to plan a suitable social media Content Creation and Distribution Plan that serves to achieve the targets for social media, and in turn contribute to the objectives of the Marketing Strategy for the product or brand.

Figure 3-4 shows the inputs, tools, and outputs for the Plan and Develop Social Media Channel process.

Figure 3-4: Plan and Develop Social Media Channel—Inputs, Tools, and Outputs

Note: An asterisk (*) denotes a highly recommended input, tool, or output for the corresponding process.
3.3.1 Inputs

3.3.1.1 Integrated DM Channel Plan

The Integrated DM Channel Plan provides an indication of the level of cross channel interaction among the website, the mobile site and apps, and the social media platforms. Social media participation can drive customers to the company’s website or mobile channel and the company’s website and mobile channel can provide links to social media. This flow needs to be considered and managed, and all digital activities must be aligned to ensure digital marketing targets are met.

**Example of Integrated DM Channel Plan:**

- A clothing retailer with an online store might offer discounts to online purchasers who “like” its page on Facebook. This provides increased reach through social media and contributes to increased sales through the website, thus contributing to the achievement of digital marketing targets and supporting the overall sales and other objectives as established in the Marketing Strategy.

3.3.1.2 Social Media Metrics, Targets, and Budgets*

Metrics, targets, and budgets for social media channels are included in the Selected DM Channels output in process 2.2—Evaluate DM Channels. Social media metrics and targets may include the number of customers that social media must attract and the actions customers on social media must undertake. Determining the metrics, targets, and budgets for social media helps shape the overall Digital Marketing Strategy by ensuring that appropriate resources are allocated to social media activities. For example, if the customer acquisition target for the social media channel is proportionately higher than that of the mobile channel, then the company may consider investing in developing engaging videos, recruiting a team to interact with customers across social media sites, or purchasing premium accounts for some social media sites that may provide additional features for a company.

These metrics form the basis for determining and refining specific metrics and assigning targets to those individual social media elements that are deemed effective for a company’s product promotion.

3.3.1.3 Selected Target Segments*

Selected Target Segments is an output of the Select Target Segments process in the SMstudy® Guide-Book 1, Marketing Strategy (section 3.2). Understanding a company’s target customers is necessary for conducting market research in order to identify social media usage among those target customers. This information along with the use of tools such as use cases and user personas aids the digital marketing team
in selecting the most appropriate social media elements in which to engage. An understanding of the selected target segments also helps to develop the Content Creation and Distribution Plan established in this process, as understanding customers is crucial to deciding the type of content that will appeal to them.

3.3.1.4 Allocated Budget*

The allocated budget is an output of the Decide Marketing Aspects and Allocate Budget process detailed in the SMstudy® Guide-Book 1, Marketing Strategy (section 5.3). In this process, budgets are allocated for each Marketing Aspect. The digital marketing team must execute the Digital Marketing Strategy within the budget established for each of the digital channels. Social media activities involve assigning specific human or other resources to monitor social media, develop content, and build a positive brand image on selected social media platforms. The budget allocated for social media activities represents a constraint for the social media team that dictates the amount of resources that can be used in executing the social media activities. The team must ensure that key targets and expectations are being met while ensuring that costs are not exceeding the allocated budget for this channel.

3.3.1.5 Details of Competitive Products

Details of Competitive Products is an output of the Identify Competition process in the SMstudy® Guide-Book One, Marketing Strategy (section 3.1). Understanding how the competition leverages social media to promote their products helps companies identify best practices that are relevant to the industry in which they operate in terms of social media. The digital marketing team must learn from competitors who have a social media presence, observing both their successes and failures.

If a company does not have enough time or resources to research and identify which social media elements are best for reaching out to its customers, then observing competitors that are active on social media, as well as customer response to their social media elements, can provide vital insights into which elements are the most effective and can, therefore, provide the best ROI for the company.

3.3.1.6 Marketing Research Reports

While reports on competition help the digital marketing team analyze good practices in social media for the target segments, the team may also procure research reports that describe the target segments’ social behavior, preferences, and social media usage. Reports may include extensive research on the online behavior of target segments and variations within segments, and they may identify which social media elements and sites the company’s target customers use most frequently. Such data help businesses identify the right social media elements, messaging, and positioning required for engaging the target audience through social media.
In addition to understanding the social media behavior of target segments, a company may also access research reports that provide insight into the changing landscape of social media, including which social media sites and elements will become dominant in the future as well as those that are expected to lose popularity.

### 3.3.1.7 Positioning Statement*

The positioning statement is the main output of the Create Differentiated Positioning process in the SMstudy® Guide-Book 1, Marketing Strategy (section 3.3). A positioning statement is important to consider when planning for social media, as social media is a channel where continuous interactions happen between a company and its customers. Any communication on social media, whether related to a brand, a product, or the business itself, should be conducted in accordance with the positioning statement set out in the company’s Marketing Strategy. Given the nature of social media, where customers make substantial contributions to content, it is important that marketing messages align well with consumer perception. For a business that boasts exceptional customer service, for example, it is important that social media messages from both the business and its customers reflect the intended brand value. In this channel, customer content often has a greater impact on consumers than the marketing messages of the businesses. The most effective social media campaigns are those where customer feedback and consumer perception align well with the positioning statement and the value proposition of the marketing messages.

### 3.3.1.8 Existing Branding

Branding is a key component to the overall Corporate Strategy of the company and all marketing activities designed to achieve the business objectives. Branding is discussed in detail in the SMstudy® Guide-Book 5, Branding and Advertising. A company’s brand represents—in a logo or mark, a message, a service, a product, an ad, an event—what customers can expect from the company. Brand touches all facets of the business, and it is important to maintain consistency of brand across the company’s products and services and throughout all marketing channels. The team responsible for building the social media presence must ensure that all activities in social media, including messages, events, discussions, and visual components, effectively support and are consistent with the overall brand and sub-brands of the company and aligns well with other marketing efforts that support the brand. Without the consideration of existing branding, the social media efforts may confuse consumers or dilute or weaken the brand.

### 3.3.1.9 Outputs of Marketing Strategy

The SMstudy® Guide-Book 1, Marketing Strategy describes the processes associated with establishing a Marketing Strategy for a product or brand from which strategies for each of the various Aspects of Sales and Marketing can be derived. Among the outputs of Marketing Strategy are the marketing objectives and the
selected Aspects of Marketing that will help the company successfully reach its overall corporate goals. Digital Marketing forms just one of the several Aspects that the company can use to achieve its marketing objectives, and a social media presence in combination with an effective website and successful mobile channel should work together to support and align with all other Aspects of the Marketing Strategy. Establishing a Marketing Strategy requires the evaluation and selection of target market segments, an understanding of the company’s product and product features, a clear understanding of the competitive landscape, and the product’s positioning relative to its competitors. These elements of the Marketing Strategy inform decisions related to planning and developing an effective social media presence. Without considering the outputs of Marketing Strategy, the social media development team may engage in activities that do not align with the overall Marketing Strategy, for example, by focusing on efforts that do not contribute to the marketing objectives or on audiences that have not been identified as key target segments for the business.

3.3.2 Tools

3.3.2.1 Branding and Advertising

Branding and advertising are discussed in detail in the SMstudy® Guide-Book 5, Branding and Advertising. A strong existing brand and effective offline advertising can provide essential support to the company’s social media efforts and, when aligned, offline and social media initiatives should work together to build better awareness of the brand, and ultimately generate more revenue, provide customers with essential updates and information, and help the business achieve its marketing objectives.

Businesses often use traditional advertising such as television or radio ads to drive consumers to social media in order to discuss topics and create a buzz around an issue or a hot topic, for example, in order to create interest in a brand that may be even marginally associated with the topic. Given the nature of social media and the speed at which content is shared, pushing consumers to social media is often an effective tactic to build product or brand awareness, and generate sales. The team responsible for establishing and growing the social media presence for the company should develop a social media strategy that aligns well with offline initiatives in order to ensure effective use of this powerful channel.

3.3.2.2 Meetings and Discussions*

Meetings and discussions are useful for evaluating the effectiveness of various social media activities and competitor performance. During such meetings, the digital marketing team decides on the best user personas and creates relevant user stories for each (see section 3.3.2.6), which in turn help the team ensure that all marketing decisions are made with the target audience in mind. Meetings are also helpful for the team to decide on consistency of messages and to establish a response strategy for various potential scenarios. For example, an e-commerce company should plan how to respond to feedback that varies
depending on the customer—those who show appreciation for its service, those who complain about service or product quality, and those who have specific queries. With the help of an established response structure, companies will be able to appropriately address customers and avoid negative responses that may tarnish the brand image.

### 3.3.2.3 Competitor Social Media Activity Analysis

One of the simplest and most effective ways to begin developing a social media plan for a product or brand is to assess the social media activities that competitors are involved in. By analyzing competitors’ social media activities, realistic benchmarks for the company’s social media plan can be set, based on what others in the industry are experiencing in terms of reach and relationship growth. This analysis enables the team to lay the framework for a successful social media plan that is based on the successes of other similar companies in the same space.

A company identifies its competitors as a result of the Identify Competition process discussed in the SMstudy® book on Marketing Strategy (section 3.1). After identifying its competitors, the first step in analyzing competitors’ social media activity is to identify their voice in social media websites—whether the competitor is portraying itself directly as the brand or whether individuals from the brand are promoting the product. The next step is to identify the level of engagement of competitors with their audiences. Relevant questions, which can be easily researched and answered, need to be framed to gauge the level of engagement.

It is also important to know how often competitors engage in specific activities that indicate their focus on various social media elements. Relevant questions need to be answered to gauge their focus.

Some companies may have an extremely high frequency of activities but their level of engagement in each activity may be very small. Others might focus more on quality content, and participate in less frequent activities but may see an equal or higher level of engagement.

Insights into preferences for different types of content can also be discovered by analyzing competitors’ social media activity. A company can observe whether competitors are posting texts, links, videos, photos, polls, questions, trivia, or something completely different, and can see the types of posts that are of interest to the greatest number of customers.
3.3.2.4  Marketing Research

To understand the social media behavior of consumers, good market research is crucial. Numerous articles, books, and websites are available that can provide valuable insights as to which social networks influence a particular audience or what kind of content resonates best for a specific product category.

It is critical that the digital marketing team is up-to-date on both the latest trends in social media and how other organizations use social media to their advantage. Market research can help predict the next trend in social media so that companies can start working out a strategy for effectively leveraging any new or emerging trends with their own brands. Growth through social media marketing can be at times unpredictable so market research can offer insights into current and future trends that may have a positive or adverse effect on social media efforts.

Extensive market research can also indicate the need to reassess targets and support the realignment of over-ambitious targets for certain metrics to achievable and practical levels. The team responsible for the social media efforts will need to use available market research to continuously reassess targets and adjust targets if necessary.

3.3.2.5  Emerging Technology Assessment

Social media is a dynamic field that is constantly changing with the addition of new platforms and ways of communicating within each platform. The digital marketing team needs to be aware of the latest developments in social media in order to ensure it is effectively using this channel, which can prove to be a powerful and useful marketing tool. Marketing research can be used to help the digital marketing team assess the emerging technology in social media.

3.3.2.6  User Personas and Use Cases*

User personas and use cases can be helpful in determining the relevance of social media elements—much the same way they are used for determining features for mobile apps, discussed in the Plan and Develop Mobile Channel process (see section 3.2.2.4). Based on market research, specific types of customers are identified that, taken together, represent the spectrum of customers who use social media. Each type of customer is used for creating a persona. A user persona may include age, gender, occupation, location, relationship status, type of devices most used for accessing social media, personality type, and any other features that are relevant for defining customers who use social media.

As mentioned in the Plan and Develop Mobile Channel process, the number of personas should be limited. Once personas are defined, the next step is to create user stories for each of the personas based on a number of identified factors, such as why they like to use social media, which social media channels and elements they use, when and how often they use social media, and what kind of content they view and share on social media. The objective is to obtain an in-depth understanding of a persona’s interaction with
the different social media elements so a company can understand which elements are the most important for its target customers.

**Example of User Persona and User Story:**

- A user persona for a fashion retail company is as follows:
  - Name: Jane
  - Age: 25
  - Gender: Female
  - Location: Urban city center
  - Relationship Status: Single
  - Social Media Devices Used: Android smartphone
  - Personality Type: Friendly, outgoing, assertive

- A user story for the above persona is as follows:
  “Jane accesses a social media site focused on personal updates on her smartphone about five times a day. She likes to share funny articles and her own photos within her friend circle, and also watches interesting videos shared by others.”

The company creates similar user stories for the other personas as well. Once all user stories are created, they are combined so that common activities, preferences, and interests among all personas are easily visible. The most common activities, preferences, and interests indicate which of the social media elements a company should focus on. For example, if four out of the five personas frequently watch videos shared by others, then the company may consider creating a high-quality, engaging video related to its product.

It may also be possible that the user stories reveal social media behavior that may not be relevant to a company. For example, Jane, the persona mentioned in the example, may also access a social media site that is focused on professional updates, sharing once a day. However, if she accesses that site primarily for reasons, such as building professional connections and updating her knowledge about her profession, the fashion retail company may decide that there is very little relevance between its product and her interests on that site, and decide not to engage in any activity in that space.

After user stories are defined, social media content developers try to establish a set of user requirements by examining the user stories in aggregate to derive a use case, which is a list of steps that define the interactions between the user and the social media application.
3.3.2.7 Social Media Elements Selection*

A common mistake that companies make when designing their social media marketing campaigns is failing to be selective about the specific social media platforms and elements that best suit their business, products, product positioning, and target audience. Unfortunately, with such a wide variety of social media activities and platforms to choose from—including web forums, podcasts, video sites, wikis, and social community sites, among others—businesses often try to do too much, resulting in unnecessary investment of time and money on efforts that ultimately do not help meet their marketing objectives.

Selecting a particular social media element for expanding a company’s reach to its customers can play a crucial role in positioning the company’s product or service in the minds of customers. A company may choose to promote its products only through those specific elements that it believes help in attaining its business goals by reaching out to its target audience.

Example of Use Case:

- Based on the user story, a use case for Jane is created as follows:

As depicted in this use case, Jane uses social media to access updates regarding her friends but she must be engaged in the content that she encounters or she has a tendency to move on. More importantly, however, Jane is willing to share valuable and engaging content. Jane can be a key contributor to expanding reach as long as she finds the content valuable and can easily share it.
Understanding which elements are most appropriate for the company’s industry, business, products or services, and target audience is of utmost importance. Each social media element has different features and characteristics and should be used in specific circumstances. These are as follows:

1. **Blogs**

   Information on blogs can have a significant influence on purchasing decisions made by many customers. Marketing through relevant blogs serves to extend a company’s influence, build a reputation for its products, drive traffic to a product website, attract new customers, and strengthen the loyalty of existing customers.

   Due to these benefits, many companies consider blogs an essential marketing tool that increases a company’s or its products’ visibility on the Internet. Blogs can generate word-of-mouth interest and provide updates on the latest product developments.

   Blogs are relatively inexpensive and can be highly effective marketing tools. They may also help improve a website's rankings in search results and are often used for SEO purposes and as content for social media updates. Search engines frequently index blog content, and well-written, popular blogs can sometimes outrank established websites in search results.

   Companies should ensure that the content in their blogs is grammatically correct, worth sharing from a reader’s perspective, and preferably written by authors with good credentials. If a company does not have such authors in-house, it may consider inviting external authors with good credentials to write guest blogs. Poorly written blogs provide almost no benefit and may even tarnish a company’s or product’s reputation. When blog entries contain the date of posting, infrequent posting can also reflect negatively on a company. (Posting the date is completely up to the designer of the web page, and the date can easily be removed.)

   Although blogs are an economical and effective way to market a company’s products, before choosing this method of social media engagement, the company must ensure that it has access to authors with the skill and experience to write engaging blogs on a regular basis.

2. **Discussion Forums**

   Nowadays, consumers tend to conduct thorough research about a particular product or service before making a purchase. This research may ultimately lead consumers to discussion forums where they can view past reviews of the product or service they are seeking. Forums can therefore greatly influence consumers’ purchasing decisions.

   Companies can decide to participate in these forums to engage with participants and build a positive identity for themselves and their products. For example, customers who are looking to buy air-conditioners and who need to decide which brand of air-conditioner has the best power-saving capacity may research this on several forums. A company selling air-conditioners can choose to monitor these forums to gain an understanding of the features that potential customers are seeking and respond accordingly. Alternatively, the company can set up its own discussion forums on commonly used social
media platforms or a company community forum, and invite top forum contributors to provide their opinions on a newly launched air-conditioner.

A company must have an effective reputation management strategy in place to successfully use discussion forums because negative comments about a company's products will be visible to others in the forum, and a company must respond to such comments appropriately.

3. **Professional Updates Sharing**

This element allows business-to-business (B2B) companies to initiate professional conversations with existing and potential business customers. Companies share updates related to their products that may be further shared or commented upon by others.

Professional updates sharing sites allow a company to drive prospects to its company website or social media profile page and also allow it to create groups that are relevant to its core products or services or to participate in existing groups. These groups are excellent resources for gaining access to potential influencers, employees, and industry contacts. They also help company employees participate in group discussions in order to look for opportunities to answer questions from fellow group members. (This ability is provided by the discussion forum element being integrated with professional updates sharing.)

**Example of Professional Updates Sharing:**

- Professional updates sharing sites, such as LinkedIn and Xing, provide companies with tremendous opportunity to engage with specific categories of professionals most likely to contribute to their business.

It is important to keep in mind that the nature of a company's product, service, or brand may not be suitable for sites focusing on professional updates sharing, even if a company can target its customers through such sites. For example, business to consumer (B2C) companies such as restaurants, retailers, and packaged goods manufacturers do not typically focus on engaging with customers on professional networking sites. Instead, B2C companies tend to focus on personal networking sites.

4. **Personal Updates Sharing**

A company hoping to create content that is shared through personal updates by individuals or groups should focus on being a source of useful and interesting information on subjects related to its products or services. Content that is just promotional in nature with no added value or interest for consumers is unlikely to be shared through personal updates.

This element presents great marketing opportunities for a variety of companies. It can be used to promote a product's brand, inform customers about product updates, obtain customer feedback, attract new customers, and build stronger relationships with existing customers.
If done well, personal updates sharing can be a very effective way to reach out to a large audience. However, creating content related to a company or product that customers find interesting or useful enough that they share within their network is not easy. Customers are generally wary of self-promotional materials and companies need to be creative to engage them.

5. Audio-Visual Sharing

Companies can use this element effectively because videos, images, and sounds can have a much larger impact on the target market compared to text updates. Companies invest in creating engaging and interesting videos about their products that can become popular and dramatically increase brand visibility. Websites focused on audio-visual sharing may also allow customization of a company's profile page to complement its branding, as well as to highlight its most engaging or new content.

Example of Audio-Visual Sharing:

- A creative video about a product uploaded to YouTube can instantly be shared across other social media sites. YouTube makes sharing videos easy with its built-in tools. If marketers choose the right tools, messages can spread quickly and efficiently across a variety of media, such as Facebook and Twitter. There is no need for a specific viewing application to view videos shared via social media websites or through e-mail, making YouTube a powerful tool for marketers.

Though a very effective element in generating interest, attracting more customers than plain text updates, creating attractive videos, audio tracks, and images is often an intensive and complicated process and may involve significant investment of time and effort. Therefore, this approach should ideally be used for key products, major product launches, or major updates in order to use the social media budget effectively.

6. Other Social Media Elements

Some other social media elements that are also popular include collaborative sites and content discovery sites. Collaborative sites are user driven, have organic content, and are easy to use. When used by companies, they can be interactive and can also help in achieving high visibility on the Internet. These sites can be used by companies when they need uncensored feedback and when they want to work with customers to create future products.
Similarly, content discovery sites can be used by companies that create interesting, engaging, and useful content. These sites facilitate the sharing of good content, which in turn drives additional traffic to their website.

**Examples of Other Social Media Elements:**

- One of the most well-known examples of a collaborative site is Wikipedia. Companies can create a page in Wikipedia, and users can also add content or edit the content. However, companies need to constantly monitor their pages to ensure that any irrelevant content does not hamper their reputation. Third-party sites, such as Wikipedia, also have stringent content guidelines, and disregarding these may have adverse repercussions for a company’s future marketing attempts on the site.
- Some popular examples of content discovery sites are Digg, Kickstarter, and Mashable.

### 3.3.2.8 Expert Insights

The digital marketing team is primarily focused on ensuring that the Digital Marketing Strategy is executed in accordance with the marketing objectives; therefore, the team must have a good understanding of the company’s business and the target audience. However, as social media is a constantly evolving field, the digital marketing team may enlist the support of a digital agency to help the team understand the various social media elements and their uses and to educate them on which element(s) would suit the marketing messages and effectively reach the target audience. The agency can also help the team build social media pages that reflect the marketing message and helps online consumers associate each page with the product or brand.

Social media provides a very quick mechanism for companies to distribute their messaging to their followers and fans, and the content sent on social media can spread to a large online audience in a short time. For these reasons, it is important for companies to control the messaging that they release on social media. The social media team must therefore develop a social media response plan that defines how the company will respond to consumers in various circumstances—specifically, how to respond to both customers who have had a poor experience and customers who give positive feedback.
3.3.3 Outputs

3.3.3.1 Content Creation and Distribution Plan*

In social media channels, high quality content is the first priority, followed by content distribution. Companies worldwide invest large sums to create quality content, but in many cases, the content is not distributed properly. Audiences neither find nor share it. A good Content Creation and Distribution Plan for social media marketing will ensure that a company’s content is relevant, timely, and well written and that it reaches the target audience using the optimal means as determined by the digital marketing team.

One of the major debates regarding content creation is between content quality and quantity—how much content is enough and how good does it need to be?

Content creation should ideally start by defining a quantity goal and a publishing schedule with appropriate deadlines. Once the publishing schedule is finalized, focus should be on the quality for each piece of content being distributed.

Some of the different types of content that can be created for the various social media elements are as follows:

- Status updates—for professional and personal sharing websites
- Photos—for professional and personal sharing websites
- Videos—for audio-visual sharing, professional, and personal sharing websites
- Infographics—for blogs, discussion forums, and professional sharing websites
- Polls—for blogs, professional, and personal sharing websites
- Quizzes—for blogs, professional, and personal sharing websites
- Contests—for blogs, discussion forums, and professional sharing websites

It is also important to note that both the relevance of content and the relevance of type of content depend on the nature of the business. For example, quizzes are more relevant for companies in the education sector than for other industries such as manufacturing or airline.

In addition to good quality content, an effective social media plan must have a good distribution strategy. The content should be shared through the company’s own blog as well as other company pages on various social media sharing sites. Businesses must also ensure that there are ways for their target audiences to like, comment, and share the original content created by the company. Figure 3-5 shows a sample of the structure of a Content Creation and Distribution Plan.
3.3.3.2 Created Social Media Presence

Based on relevant meetings and discussions, selection of specific social media elements, and an analysis of competitors’ social media activity, a company’s social media presence can be created on those social media sites that are considered the most appropriate and effective in reaching out to the company’s target audience.

A social media presence can be used to reinforce the company’s brand and also to develop and build relationships with customers and prospects. Using different social media elements allows a company to cater to different audience demographics.

3.3.3.3 Refined Metrics and Targets for Social Media Elements

Metrics for performance of individual social media elements that are selected by a company will be derived from the metrics, targets, and budgets for social media as a whole. The targets for social media will be distributed among the selected social media elements. For example, if a company’s key metric for social media performance is the number of users engaged, it should have a corresponding target for engagement. Engagement is defined as any positive action that a user takes with respect to a company’s social media activity, such as sharing an update from the company or liking a video. If this company has selected audio-visual sharing and professional updates sharing as its two social media elements of focus, relevant metrics for audio-visual sharing may be the unique number of users who have either liked a company’s video or shared it with others. Similarly, relevant metrics for professional updates sharing may be the unique number of users who have either commented on a professional update or shared it with others.
Example of Refined Metrics and Targets for Social Media Elements:

- A new entrant to the clothing manufacturing business, offering eco-friendly products at premium prices establishes that building awareness of the brand is the primary focus for the Digital Marketing Strategy in the first year of business. In addition to using the website to showcase the product catalog, the business launches a blog promoting the benefits of eco-friendly manufacturing and the use of sustainable raw materials in the manufacturing of leisurewear. Some of the refined metrics that the company focuses on to meet the digital marketing targets include the number of visits to the website, the click through rate (to give an indication of users clicking beyond the home landing page), the amount of time spent on the website, the number of new subscribers to the blog, the number of social shares, and the number of comments on the blog.
The SMstudy® Guide series is developed by VMEdu, Inc., a global education and certification course provider that has educated over 500,000 students world-wide in more than 5,000 companies. It is the result of a collaborative effort from a large number of Sales and Marketing experts with extensive experience, knowledge, and insights from a variety of industries and disciplines.

This third book in the SMstudy® Guide series focuses on Digital Marketing, providing a unique process-oriented framework that, when effectively used, ensures a thoughtful and methodical approach to building and implementing digital marketing initiatives, and yields a Digital Marketing Strategy that is comprehensive, aligned across all departments and functions of the business, and designed for success.

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